REQUEST FOR OFFERS TO PURCHASE

FOR

THE SALE OF REAL PROPERTY: PARAGON VILLAGE

Issued by the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Date Issued: October 21, 2013

Responses due by 12:00 P.M. EST on November 21, 2013

New Jersey Housing and Mortgage Finance Agency 637 South Clinton Avenue Trenton, New Jersey 08611

REQUEST FOR OFFERS TO PURCHASE THE SALE OF REAL PROPERTY: PARAGON VILLAGE

Summary

The New Jersey Housing and Agency (the "Agency") was created by the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1, et seq.) (the "Act") to provide a strong, unified advocate for housing production, financing and improvement in the State of New Jersey (the "State"). The Agency issues bonds and uses the proceeds to make single-family mortgage loans (i.e., loans to finance owner-occupied housing) and multifamily mortgage loans (i.e., loans to finance the construction and rehabilitation of rental units).

The Agency's Multifamily Division is primarily responsible for providing funds to finance the construction and rehabilitation of multifamily rental housing projects in the State. The primary source of funding of projects is through the sale of tax-exempt and taxable bonds. The Agency has also established additional multifamily financing programs funded with Agency General Funds. Agency loans are secured by mortgages upon the project assets. Generally, project loans are repaid with project rents, and, where applicable, such repayments are used to redeem bonds and/or reimburse the Agency General Fund. The Agency monitors project operations to ensure compliance with applicable federal and State law.

The Agency is the authorized housing tax credit agency for the State and is responsible for oversight of all aspects of the Low-Income Housing Tax Credit (LIHTC) Program for the State, including the allocation of Federal Low-Income Housing Tax Credits and the compliance and monitoring of projects which have already received federal tax credits. The Agency's programs are designed to increase the availability of affordable housing for low-moderate-and middle-income residents, to work with the private sector in meeting the Agency's mission, to assist in urban revitalization and develop innovative and flexible financing vehicles designed to provide low-interest mortgages financed by the sale of housing revenue bonds. The Agency also serves as a conduit for various federal and state subsidies, grants and demonstration funds.

The Agency's activities are governed by a nine-member board consisting of the Commissioner of the Department of Community Affairs, the State Treasurer, the Attorney General, the Commissioner of the Department of Banking and Insurance, the Commissioner of Human Services and four public members appointed by the Governor with the consent of the State Senate. The day-to-day operations are carried out by an Executive Director of the Agency, assisted by staff organized under the Deputy Director and Chief of Programs, the Chief Financial Officer, the Chief of Property Management and Technical Services, the Chief of Administration and the Chief of Legal and Regulatory Affairs.

The Agency acquired the Property, as defined in Section 1.1 below, on December 31, 2012 by way of a deed in lieu of foreclosure, as part of a settlement of claims by the Agency against the prior owner/developer. The Agency is offering the property pursuant to this Request for Offers to Purchase (the "RFOTP") for acquisition by qualified purchasers with demonstrated track-records of success in the development, ownership and/or operation of senior care facilities. Sale of the property by the Agency is governed by the Act and the Agency's Policy for Sale of Property, attached hereto as ATTACHMENT #1.

1.0 PURPOSE AND SCOPE OF SERVICES

The Agency is requesting offers to purchase (the "Offer") from qualified entities (the "Respondents" or the "Potential Purchaser") interested in purchasing a senior care facility known as Paragon Village, ("Paragon" or the "Facility") located at 425 Route 46, Hackettstown, NJ 07840. The Agency will convey title to the successful Potential Purchaser by way of a bargain and sale deed with covenants against grantor's acts. Title will be fee simple free and clear of all liens and insurable at regular rates.

1.1 THE PROPERTY

Paragon is a senior living campus located at 425 Route 46, Hackettstown, NJ 07840. The Facility consists of three buildings: (1) independent living with 70 units; (2) 82 units of assisted living, approximately 20 of which are "Memory Care" units, dedicated to residents with Alzheimer's disease and other forms of dementia, and (3) a vacant building, originally intended for use as a senior activity center. The vacant building is in very good condition. It is fully protected with all appropriate life-safety equipment required for current use. It has designated parking and a layout presently that permits multiple tenant occupancy. It is approximately 7,500 square feet, exclusive of parking, sidewalks and outdoor landscaping. Management estimates that the vacant building, if utilized in a complementary capacity - such as an adult day health center and/or a medical office building (MOB), can generate incremental annual revenue of approximately \$100,000.

Twenty-three percent (23%) of the units are currently set-aside for low and moderate income residents as determined by State Law. The Agency acquired Paragon from a defaulted borrower by way of a deed in lieu of foreclosure on December 31, 2012. Simultaneously with its acquisition of Paragon, the Agency retained Hospicomm, Inc. ("Hospicomm") to operate the Facility on an interim basis. Hospicomm is a State-based provider dedicated to providing management services to owners of senior care facilities. Paragon is in good standing with the New Jersey Department of Health from a regulatory perspective. Overall occupancy currently exceeds ninety percent (90%). Interim financial information for the period from January 1 through August 31, 2013 is provided in ATTACHMENT #2. In addition, Paragon's operations, procedures and accounting methods have been reviewed by Clifton Larsen Allen ("CLA"), a third-party consulting firm. ATTACHMENT #3 summarizes CLA's findings.

Paragon was originally funded in 2001 with a combination of Agency loan proceeds and taxexempt bond proceeds, pursuant to which a payment in lieu of taxes (PILOT) was negotiated with Mt. Olive Township. Respondents interested in a PILOT going forward will be required to secure Agency financing, and as such, must clearly indicate this intention in their Offer.

1.2 AFFORDABLE HOUSING REQUIREMENT

Respondents are not required to commit to a set-aside for affordable residents. Based on current rents and occupancy levels, management estimates the opportunity cost of operating Paragon as a mixed-income facility is approximately \$355,000 per year in annual revenue.

2.0 PUBLIC INSPECTION OF DOCUMENTS

Due diligence material and documents held by the Agency pertaining to the Property and/or building(s) will be made available for the review and inspection by Potential Purchaser(s) by appointment during normal business hours at the Agency offices. Appointments may be made by contacting:

James E. Robertson Acting Chief of Legal and Regulatory Affairs jrobertson@njhmfa.state.nj.us

Limited materials and documents will be available for review and inspection during the period referred to in Section 3.0 below. In addition, interested Potential Purchasers may arrange for paper or digital copies to be made by the Agency of the paper documents by request to the Acting Chief of Legal and Regulatory Affairs. The actual cost of any such copies shall be paid by the requesting Potential Purchaser upon notice from the Agency of such cost and in advance of any such copies being made.

In connection with this offering, the Agency will produce various documents and information and may make certain representations express or implied. Additionally representatives of the Agency, its employees, officers, consultants, professionals and other associated with the Agency may provide various documents and information and may make certain representations express or implied. Collectively taken together these documents, information and representations shall constitute the "Project Information." As a condition of the disclosure of this Project Information, Potential Purchasers agree and represent that it shall be used only in connection with an Offer and for no other purpose. Any information, documents or representations provided by the Agency, its employees, officers, consultants, professionals and others associated with the Agency shall not constitute a specific representation of any kind or nature whatsoever. Potential Purchasers acknowledge and agree that the Agency, its employees, officers, consultants, professionals and others associated with the Agency have no duty to provide particular information and documents, and there is no representation that information or documents actually provided are complete or accurate. Potential Purchasers understand and acknowledge that they are required to perform their own due diligence in reviewing all aspects of this project and/or the Property and that any information or documents are provided by the Agency, its employees, officers, consultants, professionals and others associated with the Agency as a courtesy and without representation or warranty of any kind or nature. Potential Purchasers

agree to hold harmless, indemnify, and defend the Agency, its employees, officers, consultants, professionals and others associated with the Agency and each of its officers, directors, employees, successors and assigns from any and all claims, losses, suits, damages (including, without limitation, reasonable attorneys' fees) arising or alleged to have arisen from the review, use or dissemination of any information or documents provided. Potential Purchasers acknowledge and agree that they have no rights or entitlement to any damages as a result of this production of Project Information and by receipt and use of the Project Information, Potential Purchasers release and discharge the Agency, its employees, officers, consultants, professionals and others associated with the Agency from any and all liability of any nature whatsoever.

All requests for or request to inspect in person documents must be made by November 7, 2013.

3.0 SITE VISITS

Respondents may request site visits by contacting the Agency, via email, as directed below. All efforts will be made to accommodate such requests. However, the Agency cannot guarantee that all requests will be satisfied. All requests for site visits must be received no later than 5 PM on November 4, 2013. Please direct all inquiries regarding site visits as follows:

Karen Becker
Assistant to CFO
New Jersey Housing & Mortgage Finance Agency
kbecker@njhmfa.state.nj.us
609-278-7495

4.0 OFFER SUBMISSION

Ten (10) printed copies of the Offer (one (1) unbound, original and nine (9) bound copies) and one (1) digital copy in PDF format on a CD must be submitted marked "REQUEST FOR OFFERS TO PURCHASE — PARAGON VILLAGE" in a sealed package and addressed to:

Anthony L. Marchetta Executive Director

U.S. Mail Address:

New Jersey Housing and Mortgage Finance Agency 637 South Clinton Avenue P.O. Box 18550 Trenton, New Jersey 08650-2085

Hand-Delivery, Courier or Overnight Delivery Address:

New Jersey Housing and Mortgage Finance Agency 637 South Clinton Avenue Trenton, New Jersey 08611 Offers may be delivered via mail, hand-delivery, courier or an overnight delivery service to the address above. All such deliveries must be received at the offices of the Agency, by November 21, 2013 at 12:00 P.M. prevailing Eastern Time. Proposals will be publically opened on November 21, 2013 at 2:00 P.M. prevailing Eastern Time, at the offices of the Agency.

No faxed or email Offers will be accepted. Offers received after the time and date listed above will not be considered.

The Agency will not be responsible for any expenses in the preparation and/or presentation of the Offers or for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

The Agency reserves the right to request additional information if necessary, or to reject any and all Offers with or without cause, and, in its sole discretion, waive any irregularities or informalities, such as minor elements of non-compliance with regard to the requirements of this RFOTP, in the Offers submitted. The Agency further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting Offers. In the event that all Offers are rejected, the Agency reserves the right to re-solicit Offers.

The Agency also may seek to obtain business terms that better suit the interests of the Agency and the State, price and other factors considered, by negotiating with the Potential Purchasers(s) that submit the best purchase offer(s) in accordance with the evaluation criteria set forth in this RFOTP. The Agency reserves the right to exclude from negotiations any and/or all offers received based on the initial submissions. Negotiations with a Potential Purchaser will not preclude the Agency from negotiating with other Potential Purchasers unless the Agency has entered into an exclusive negotiating period with a Potential Purchaser in accordance with its Guidelines for Sale of Real and Personal Property.

Responding Potential Purchasers may withdraw their Offers at any time prior to the final filing date and time, as indicated on the cover page to this RFOTP and in this Section 4.0, by written notification signed by an authorized agent of the firm(s). Offers may thereafter be resubmitted, but only up to the final filing date and time.

The responding Potential Purchaser assumes sole responsibility for the complete effort required in this RFOTP. No special consideration shall be given after the Offers are opened because of a Potential Purchaser's failure to be knowledgeable about all requirements of this RFOTP. By submitting an Offer in response to this RFOTP, the Potential Purchaser represents that it has satisfied itself, from its own investigation, of all of the requirements of this RFOTP.

Documents and information submitted in response to this RFOTP shall become property of the Agency and generally shall be available to the general public as required by applicable law, including the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-1 et seq., the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. and State right-to-know laws.

Communications with representatives of the Agency by the Potential Purchaser or the Potential Purchaser's representatives concerning this RFOTP are **NOT** permitted during the term of the submission and evaluation process. Communications regarding this RFOTP in any manner (except as set forth in Sections 2, 3 and 4 above and Section 6 below or negotiations initiated by the Agency) will result in the immediate rejection of the Potential Purchaser's Offer.

5.0 OFFER REQUIREMENTS

In order to be considered, all offers to purchase from the Agency must include the following:

- a. <u>Cover Letter.</u> A letter identifying the Offer and disclosing the documentation included. The Potential Purchaser must indicate the name and contact information for the individual who will be its senior contract person related to its Offer. The Potential Purchaser must also indicate whether the firm is operating as an individual proprietorship, partnership, corporation or a joint venture. The cover letter should also indicate the state of incorporation of the Potential Purchaser.
- b. <u>Firm Overview</u>. Each respondent must include a firm overview summarizing the firm's history, ownership structure, executive employees, business model, and relevant experience in the development, ownership and/or operation of senior care facilities. Respondents may, at their discretion, include portfolio information, case studies, letters of recommendation and other relevant information in support of their response.
- c. <u>Audited Financial Statements</u>. Each respondent must include its most recent audited financial statements, including all notes, exhibits, attachments, disclosures and other supporting information.
- d. Offer Sheet. A signed document, in the form of a term sheet, stating the purchase price, which includes all proposed consideration to be given for the Property, including cash, and proposed Agency financing ("Purchase Price"). The term sheet must disclose and summarize all of the relevant terms and conditions associated with a proposed offer. Such terms include, but are not limited to: consideration, the identity of the specific purchasing entity, conditions precedent to closing, anticipated closing date and due diligence period, proposed affordability set-asides (if applicable), the intention to secure a PILOT (if applicable), and any special circumstances associated with a proposed offer, together with all elements set forth in this Section 5.0.
- e. Offer Deposit. A payment of two percent (2.0%) of the aggregate Purchase Price offered by the Potential Purchaser which shall be held in an interest bearing account as an initial deposit and applied to the purchase for the accepted Offer, and returned to all others. An additional deposit of three percent (3.0%) of the Purchase Price offered shall be payable to the Agency on the earlier of:

 The Agency and the Potential Purchaser entering into an exclusive negotiating period in accordance with the Guidelines for the Sale of Real and Personal Property; OR

ii. A purchase agreement with the Agency being fully negotiated and signed by the Potential Purchaser. The initial deposit and the additional deposit shall be applied

to the Purchase Price at closing.

The deposit shall be in the form of a certified, cashier's or bank check made payable to New Jersey Housing and Mortgage Finance Agency, issued by a FDIC accredited financial institution.

6.0 QUESTIONS AND ANSWERS

The Agency will also accept questions from Potential Purchasers regarding any aspect of this RFOTP via e-mail only until 5:00 p.m. prevailing Eastern time on November 7, 2013. Questions should be directed via e-mail to:

James E. Robertson Acting Chief of Legal and Regulatory Affairs jrobertson@njhmfa.state.nj.us

Any answers to questions posed will be posted on the Agency's website. It is the sole responsibility of Potential Purchasers to be knowledgeable about the value, condition, and all other aspects of the Property.

7.0 COMPLIANCE WITH STATE LAW

7.1 Chapter 51 and Executive Order No. 117.

In order to safeguard the integrity of State government, including the Agency, procurement by imposing restrictions to insulate the negotiation and award of State and Agency contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted P.L. 2005, c. 51 (codified at N.J.S.A. 19:44A-20.13 – 25) ("Chapter 51"), on March 22, 2005, effective retroactive October 15, 2004, superseding the terms of Executive Order No. 134. In addition, on September 24, 2008, Governor Corzine issued Executive Order No. 117, effective on November 15, 2008 ("EO 117") setting forth additional limitations on the ability of Executive Branch agencies to contract with consultants who have made or solicited certain contributions. Pursuant to the requirements of Chapter 51 and EO 117, the terms and conditions set forth in this section are material terms of this engagement:

I. Definitions:

For the purpose of this section, the following shall be defined as follows:

- a. "Contribution" means a contribution reportable as a recipient under The New Jersey Campaign Contributions and Expenditures Reporting Act. P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions in excess of \$300 during a reporting period are deemed "reportable" under these laws.
- b. "Business Entity" means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of the State or any other state or foreign jurisdiction. The definition of a business entity includes:
 - i. All principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate and for a for profit entity, the following:
 - 1. In the case of a corporation: the corporation, any officer of the corporation, and any Person or business entity that owns or controls 10% or more of the stock of the corporation;
 - 2. In the case of a general partnership: the partnership and any partner;
 - 3. In the case of a limited partnership: the limited partnership and any partner;
 - 4. In the case of a professional corporation: the professional corporation and any shareholder or officer;
 - 5. In the case of a limited liability company: the limited liability company and any member;
 - 6. In the case of a limited liability partnership: the limited liability partnership and any partner;
 - 7. In the case of a sole proprietorship: the proprietor;
 - 8. In the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;
 - ii. Any subsidiaries directly or indirectly controlled by the business entity;
 - iii. Any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee;

- iv. If a business entity is a natural person, that person's spouse or civil union partner, or child residing in the same household provided, however, that, unless a contribution made by such spouse, civil union partner, or child is to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of Chapter 51; and
- v. Any labor union, labor organization, and any political committee formed by a labor union or labor organization if one of the purposes of the political committee is to make political contributions.

II. Breach of Terms of Chapter 51 and EO 117 is a breach of this engagement:

It shall be a breach of the terms of this engagement for the Business Entity to do any of the following:

- a. Make or solicit a contribution in violation of the Chapter 51 and EO 117;
- b. Knowingly conceal or misrepresent a contribution given or received;
- c. Make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- d. Make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or of Lieutenant Governor, or to any State, county or municipal party committee, or any legislative leadership committee;
- e. Engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of Chapter 51 and EO 117;
- f. Fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- g. Engage in any exchange of contributions to circumvent the intent of the Chapter 51 or EO 117; or
- h. Directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Chapter 51 and EO 117.

III. Certification and disclosure requirements:

- a. The State or the Agency shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, or to any State, county political party, or to a legislative leadership or municipal political party, committee during certain specified time periods.
- b. Prior to entering any contract with any Business Entity, the Business Entity proposed as the Potential Purchaser under the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by Chapter 51 have been solicited or made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C. 527 of the Internal Revenue Code that also meets the definition of a continuing political committee within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions for completion and submission to the Agency at the time of submission of an offer in response to the RFOTP are available Purchase Bureau website the review on http://www.state.nj.us/treasury/purchase/forms.htm#eo134.
- c. Further, the Potential Purchaser is required, on a continuing basis, to report any contributions and solicitations Potential Purchaser makes during the term of the contract, and any extension(s) thereof, at the time any such contribution or solicitation is made.
- d. Potential Purchaser's failure to submit the required forms will prevent the Agency from entering into a Purchase and Sale Agreement with the Potential Purchaser. The State Treasurer or his designee shall review the Disclosures submitted by the Potential Purchaser pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended Potential Purchaser, prior to award, or during the term of the retention agreement. If the State Treasurer determines that any contribution or action by the Potential Purchaser violated Chapter 51 or EO 117, the State Treasurer shall disqualify the Potential Purchaser from award of such contract. If the State Treasurer or his designees determines that any contribution or action constitutes a breach of contract that poses a conflict of interest, pursuant to Chapter 51 and EO 117, the State Treasurer shall disqualify the Potential Purchaser from award of such contract.

Please refer to ATTACHMENT #4 for copies of the Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form and instructions. Failure to submit the attached Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form shall be cause for rejection of your firm's offer.

The Potential Purchaser selected to provide services to the Agency shall maintain compliance with Chapter 51 and EO 117 during the term of their engagement.

- 7.2 Ownership Disclosure. The Ownership Disclosure addresses the requirements of N.J.S.A. 52:25-24.2, and for any contract it must be completed and submitted with the offer. The contract is not completed unless and until the Ownership Disclosure is properly completed and accepted. The form can be downloaded from the Department of the Treasury website under the heading Vendor Forms: http://www.state.nj.us/treasury/purchase/forms.htm#eo134 . A copy of the Ownership Disclosure Form is attached hereto as ATTACHMENT #4
- 7.3 Affirmative Action Supplement with Affirmative Action Employee Information Report. Affirmative Action Supplement with Affirmative Action Employee Information Report addresses the requirements of N.J.S.A. 10:5-31 to -34 and N.J.A.C. 17:27.3.1 et seq., and for any contract must be completed and submitted with the offer. The contract is not completed unless and until the form is properly completed and accepted. The forms can be downloaded from the Department of the Treasury website under the heading Vendor Forms: http://www.state.nj.us/treasury/purchase/forms.htm#eo134. A copy of the Affirmative Action Supplement with Affirmative Action Employee Information Report is attached hereto as ATTACHMENT #4.
- **7.4** <u>Prevailing Wage Requirement</u>. Potential Purchaser shall comply with the Prevailing Wage requirements set forth in <u>N.J.S.A.</u> 55:14K-42.
- 7.5 Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to N.J.S.A. 52:32-58, the bidder must certify that neither the bidder, nor one of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56 (e) (3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32-56 (f). If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.
- **7.6** <u>Political Contribution Disclosure</u>. The C. 271 Political Contribution Disclosure Form addresses the requirements of <u>N.J.S.A.</u> 19:44A-20.26, and for any contract it must be completed and submitted with the offer. The contract is not completed unless and until the Political Contribution Disclosure is completed and accepted. A copy of the Political Contribution Disclosure Form is attached hereto as ATTACHMENT #4.

8.0 EVALUATION CRITERIA

The Agency will evaluate each Offer received in accordance with this RFOTP and shall identify the Offer(s) determined to be responsive to all material elements set forth in the notice, including, but not limited to: Purchase Price; the Respondent's experience and demonstrated ability to successfully develop, own, and/or operate senior care facilities; purchase term including due diligence; and the Potential Purchaser(s) financial capability to meet the proposed

terms of purchase, ATTACHMENT #5 contains the proposed evaluation score sheet and weightings.

After evaluating all Offers received, the Agency shall proceed as set forth in the Policy for Sale of Property, which may result in a purchase agreement contemplated in Section 16 of the Policy ("Agreement for Purchase and Sale"). The initial draft of an Agreement for Purchase and Sale shall be provided by the Agency at a time the Agency deems appropriate during or after any negotiations with Potential Purchasers.

The Agency shall be under no obligation whatsoever, legal or otherwise, to assign, sell or convey the Property or any interest in the Property unless and until an Agreement for Purchase and Sale is fully negotiated with a Potential Purchaser and approved for execution by the Agency Board in its sole and absolute discretion. No Potential Purchaser or other party shall have any legal right or interest in the Property unless and until an Agreement for Purchase and Sale is properly executed and delivered by the Agency.

ATTACHMENT #1

Policy For Sale of Property

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY POLICY FOR SALE OF PROPERTY

The New Jersey Housing and Mortgage Finance Agency has adopted this policy for the sale of property as to the sale of Agency assets as part of its mission, authorizations, and duties provided under the New Jersey Housing and Mortgage Finance Agency Law of 1983, L.1983, c. 530, as amended and supplemented (N.J.S.A. 55:14K-1, et seq.), which include the disposition of real and personal property taken into ownership by the Agency. The Agency intends to execute the aforementioned dispositions through one of the two processes set forth in these guidelines: the sealed bid process and the offer to purchase process when real and personal property have been advertised for sale.

1. Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

"Agency" means the New Jersey Housing and Mortgage Finance Agency as created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, L. 1983, c. 530, as amended and supplemented (N.J.S.A. 55:14K-1, et seq.).

"Agency staff" means the Executive Director and staff responsible for carrying out the policies, mission and purpose of the New Jersey Housing and Mortgage Finance Agency.

"Executive Director" means the Executive Director of the Agency, appointed pursuant to N.J.S.A. 55:14K-5j.

"Offer to purchase process" means an invitation to submit an offer to purchase a particular parcel or Property that has been advertised as being available for sale through the offer to purchase process with the offer period remaining open until the date specified in the advertisement.

"Policy" means this policy for the sale of Property by the Agency.

"Property" means (a) the Agency's interests as a lender in any loan made or acquired by the Agency, together with any note or instrument of obligation from a borrower to the Agency, any mortgage or encumbrance securing such obligation and any other documents relevant to same, and (b) any real property and any personal property, business property, tangible and intangible assets that may accompany said real property, acquired by the Agency, by deed in lieu of foreclosure or otherwise in connection with the Agency's security interest in any loan made or acquired by the Agency.

"Sealed bid process" means a solicitation for competitive sealed bids to purchase Property that has been advertised as being available for sale through the sealed bid process with a requirement that sealed bids be received by the advertised bid due date.

2. Sealed bid process

(a) For any Property to be sold through the sealed bid process, Agency staff shall advertise a notice of each solicitation for sealed bids for such Property on the Agency's website and

on the New Jersey State business portal and shall place an advertisement for same in the "Public/Legal Notice" section of the Star Ledger, the Asbury Park Press, The Times of Trenton and, if Agency staff deems it appropriate, in other regional newspaper(s) or other publications. Advertisements on the Agency's website and the New Jersey State business portal shall be maintained until the close of the bidding period.

(b) In addition, Agency staff may contact potential purchaser(s) directly to seek to increase the number of sealed bids received in response to an advertised solicitation to purchase.

3. Sealed bid requests

- (a) The notice of solicitation for sealed bids shall request sealed bids for the purchase of Property and shall include the time, date and format in which the sealed bids are to be submitted. The notice shall also include a name and phone number or other contact information potential purchaser(s) can use to obtain additional information about the solicitation.
- (b) Each solicitation to purchase through the sealed bid process shall specify material terms of the sale that are to be proposed by bidders and material terms of sale that are required for the particular sale and not subject to bid which shall be specified either through the solicitation to purchase, a specimen form of purchase agreement, or on the Agency's website.
- (c) Sealed bids will be opened on the date specified in the solicitation. After sealed bids have been publicly opened, Agency staff may seek best and final sealed bids from one or more bidders that timely submitted a responsive bid for the Property.

4. Submission of sealed bids

- (a) All sealed bids shall be submitted on or before the specified time and date required by the public notice and contain all information requested by Agency staff. Unless otherwise specified in the notice, a sealed bid shall not be submitted by telephone, facsimile, or other electronic means.
- (b) All sealed bids shall include a certified, cashiers or bank check made payable to the Agency in an amount to be determined by the Agency and stated in the notice given under Section 3(a), up to ten percent (10.0%) of the bid price, which shall be held by the Agency as a deposit and applied to the purchase price at closing for the accepted bid, and returned to all others.
- (c) Deposit checks shall be deposited by Agency staff into an interest bearing account with interest accruing to the benefit of the bidder. Deposits paid by unsuccessful bidders, with accrued interest, shall be returned when Agency staff issues its notice of intent to award a purchase contract in accordance with Section 16(e).
- (d) Sealed bids received by Agency staff shall be held unopened until the close of the bidding period, at which time all bids received shall be publicly opened and the identities of the bidders, but not the substance of the bids, will be read.

5. Extension of time to submit sealed bids

- (a) The Executive Director may extend the time for opening sealed bids or at the request of a potential purchaser who notifies Agency staff that he or she intends to submit a sealed bid and gives valid reasons why he or she will not meet the formal opening date. The potential purchaser making this request shall do so in writing and specify the length of additional time requested. The written request must be received by Agency staff no later than one week prior to the close of the bid submission period.
- (b) The Executive Director may extend the time for opening sealed bids in accordance with the solicitation of sealed bids.
- (c) Extensions of time under this section for opening of sealed bid(s) shall be applicable to all potential purchaser(s) and shall be posted only on the Agency's website. All sealed bid(s) shall be held and remain sealed until the expiration of the time extension granted by the Executive Director.

6. Sealed bid prices

- (a) A sealed bid shall include all material information required by the solicitation. Prices shall be typewritten, photocopied, or written in ink or some other indelible substance.
- (b) Unless the solicitation states otherwise, the prices submitted with a sealed bid shall remain effective for 90 days after the opening date, subject to any negotiations conducted in accordance with Section 14(a).

7. Withdrawal of sealed bid

- (a) Prior to the opening of the sealed bid(s), a potential purchaser may, for any reason, request the withdrawal of his or her sealed bid. The request shall be made in writing to Agency staff and shall be signed by a person authorized to submit the sealed bid (such as the owner or owner's designated representative, or an attorney or real estate broker with written permission to negotiate and act as attorney in fact for owner). Proof of authorization shall accompany the request.
- (b) After the opening of the sealed bid(s), if either the potential purchaser(s) or Agency staff discover a material error in a sealed bid, the potential purchaser(s) may request the withdrawal of the sealed bid. If the error is discovered by Agency staff, the potential purchaser(s) will be notified in writing, and the potential purchaser will have five (5) business days from receipt of the notice to request withdrawal of the sealed bid. Any request to withdraw from the potential purchaser(s) shall be addressed to the Executive Director and Agency staff which will return the sealed bid if the potential purchaser(s) can demonstrate that he or she exercised reasonable care in preparing and submitting the sealed bid, and that it would be unconscionable for Agency staff to enforce the proposed purchase agreement. The decision to grant or deny any such request shall be at the sole discretion of the Executive Director.

8. Correction of pricing error

Agency staff shall correct a pricing error in a sealed bid under the following circumstance: Unless the solicitation states otherwise, or the result would be unconscionable, where a sealed bid price contains a discrepancy between a unit price and a total price based on those units, the unit price shall govern. Where the sealed bid price contains any other price discrepancy, Agency staff shall determine the price if the sealed bid contains clear evidence of the intended price.

9. Offer to purchase process

- (a) Before advertising Property as being available for sale through the offer to purchase process, the Agency shall review and approve a recommendation of Agency staff to offer the property for sale through the offer to purchase process. In its determination to use the offer to purchase process, the Agency also may consider various factors including, but not limited to, purchase price, furtherance of the Agency's mission and timing, to determine whether the offer to purchase process will enhance the economic value to the Agency and serve the interests of the State of New Jersey. If a party has approached Agency staff with an offer, in its determination to use the offer to purchase process, the Agency also may consider the proposed purchase price as compared to a valuation of the Property established by an appraisal report prepared by a professional licensed appraiser.
- (b) For Property to be sold through the offer to purchase process, Agency staff shall advertise a notice of the availability of the Property for sale through the offer to purchase process on the Agency's website, on the New Jersey State business portal and shall place an advertisement for same in the "Public/Legal Notice" section of the Star Ledger, the Courier Post and The Times of Trenton and, if Agency staff deems it appropriate, in other regional newspapers or publications.
- (c) Each notice of availability for sale through the offer to purchase process shall specify the period of time for submitting an offer to purchase the particular Property which period for submitting offers to purchase shall not be less than thirty (30) days.
- (d) In addition, Agency staff may contact potential purchasers directly to seek to increase the number of offers to purchase received in response to an advertised solicitation.

10. Submission of offers to purchase

- (a) The time for submitting an offer to purchase shall remain open until the date specified in the advertisement. Unless otherwise specified in the notice, an offer to purchase shall not be submitted by telephone, facsimile, or other electronic means.
- (b) All offers to purchase shall include a certified, cashiers or bank check made payable to the Agency in an amount to be determined by the Agency and stated in the notice given under Section 9(b), up to five percent (5.0%) of the offer price, which shall be held as an initial deposit.

An additional deposit in an amount to be determined by the Agency, up to ten percent (10%) of the offer price, shall be payable to the Agency on the earlier of:

- 1. Agency staff and the potential purchaser entering into an exclusive negotiating period in accordance with Section 15; or
- 2. A purchase agreement being fully negotiated and signed by the purchaser. The initial deposit and the additional deposit shall be applied to the purchase price at closing.
- (c) Deposit checks shall be deposited by the Agency into an interest bearing account with interest accruing to the benefit of the party who submitted the offer to purchase. In the event an offer to purchase cannot be negotiated into an acceptable offer, deposits paid by the party that submitted the offer, with accrued interest, shall be returned when the Agency determines to terminate negotiations regarding the particular offer to purchase.

11. Verification of sealed bid or offer to purchase

Agency staff may seek information outside of the sealed bid or offer to purchase to verify the accuracy and responsiveness of the sealed bid or offer to purchase, and whether the potential purchaser(s) is responsible. Agency staff may request such information from the potential purchaser(s), from public records, or from others familiar with the potential purchaser(s). Such information may clarify, but not modify, a sealed bid or offer to purchase. Such investigation may include, but shall not be limited to, contacting the potential purchaser surety companies, financial institutions, and review of corporate or personal financial records, reports and statements.

12. Rejection of all sealed bids or offers to purchase, re-advertisement and termination

The Agency reserves the right to reject all sealed bid(s) and offer(s) to purchase and to either re-advertise or terminate an advertised solicitation if the Agency determines that insufficient competition results from the initial advertisement, the price is unfavorable in the current market, or for any other reason in the best interests of the Agency or the State of New Jersey, as determined by the Agency.

13. Evaluation

- (a) Agency staff shall evaluate each sealed bid and offer to purchase received in accordance with this Policy and shall identify the sealed bid(s) or offer(s) to purchase determined to be responsive to all material elements set forth in the solicitation or notice of availability, which may include, but not be limited to:
 - 1. The purchase price (including other financial consideration, including but not limited to assumption of debt associated with the Property as may be applicable and appropriate);
 - 2. The purchase term including due diligence period as well as payment for such period;

- 3. The proposed project capital investment;
- 4. The potential purchaser's financial, technical and logistical capacity to meet the proposed terms of purchase and project completion;
 - 5. The future use of the Property; and
- 6. Confirmation that the potential purchaser's proposed use is consistent with the mission of the Agency, including, but not limited to, housing affordability and maintenance of affordability controls.
- (b) Evaluation of sealed bids and offers to purchase will be made based on the best interests of the Agency and the State of New Jersey, price and other factors considered. In evaluating purchase price, Agency staff will consider purchase price as compared to a valuation of the Property established by an appraisal report prepared by a professional licensed appraiser. The Agency staff may accept a lower purchase price from a governmental purchaser or public/private partnership if the proposal is based upon factors consistent with the mission of the Agency.

14. Negotiations

- (a) When the sealed bid process is used to sell Property, Agency staff may negotiate with one or more bidders that have submitted advantageous sealed bid(s) terms that are in the best interests of the Agency and the State of New Jersey, price and other factors considered, in accordance with the evaluation criteria in Section 13. Agency staff reserves the right to negotiate with some but not all potential purchasers who submitted a sealed bid based on initial submissions.
- (b) When the offer to purchase process is used to sell Property, from time to time as offers are received, Agency staff may negotiate terms of sale that are in the best interests of the Agency and the State of New Jersey, price and other factors considered, in accordance with the evaluation criteria in Section 13. Negotiating with a potential purchaser will not preclude Agency staff from negotiating with other potential purchasers unless Agency staff has entered into an exclusive negotiating period with a potential purchaser in accordance with Section 15.

15. Exclusive negotiating period

- (a) When the offer to purchase process is used to sell Property and upon the request of a party who has made an offer to purchase Property, Agency staff may agree that it will not negotiate with any other party for that particular Property provided that the following conditions are met:
 - 1. The time for submitting offers to purchase that particular Property has expired;
 - 2. Agency staff determines there is a reasonable likelihood that the exclusive negotiating period will lead to an offer to purchase that will be acceptable to the Agency;
 - 3. Subject to extensions pursuant to (b) and (c) below, an exclusive negotiating period shall not exceed 60 days;

- 4. The prospective purchaser makes an additional deposit of an amount to be determined by the Agency, up to ten percent (10%) of the purchase price; and
- 5. The prospective purchaser agrees in writing to negotiate exclusively with Agency staff during the exclusive negotiating period and terminate negotiations and discussions with other parties who seek to sell or lease the property.
- (b) The Executive Director may extend an exclusive negotiating period for an additional 60 days.
- (c) The Agency may extend an exclusive negotiating period for such period of time and upon such terms and conditions as the Agency determines to be in the best interests of the Agency and the State of New Jersey considering price and other factors.

16. Determinations, recommendation, review and award

- (a) For sales conducted through the sealed bid process, the Executive Director shall have the discretion and authority to determine that all bids shall be rejected and that no notice of intent to award a purchase agreement be made, all potential bidders' deposits, with accrued deposit be returned and that the Property be re-advertised for bids or any other appropriate action.
- (b) For sales conducted through the offer to purchase process, the Executive Director shall have the discretion and authority to determine that negotiations regarding a particular offer to purchase should terminate and the potential purchaser's deposit, with accrued interest, be returned, to issue a new notice of availability of Property for sale, or to take other appropriate action.
- (c) Agency staff shall recommend to the Agency bids and offers to purchase, which may have been modified through negotiations, that will provide purchase agreements which are in the best interests of the Agency and the State of New Jersey considering price and other factors. Any recommendation to accept a bid or offer to purchase shall also identify competing bids or offers to purchase that will be rejected by awarding a purchase agreement to the selected purchaser.
- (d) After a recommendation by Agency staff to accept a bid or offer to purchase, the Agency shall determine whether to issue a notice of intent to award a purchase agreement and reject competing bids and offers to purchase, or in the alternative to reject all bids or to take other appropriate action.
- (e) Upon approval by the Agency of an award of a purchase contract, Agency staff shall issue a notice of intent to award a purchase agreement and send it to all bidders or parties who submitted an offer to purchase. The notice of intent to award a purchase agreement shall set forth all of the material terms of the purchase agreement. Agency staff shall finalize the purchase agreement which shall be executed by the Executive Director or other officer so authorized by the Agency board, subject to the provisions of Section 17.

17. Challenges

(a) After the date of the notice of intent to award a particular purchase agreement, unsuccessful bidders or parties who submitted an offer to purchase for the particular Property, as applicable, will have ten (10) business days from the date of the notice to review:

- 1. The sealed bids or offers to purchase submitted by other potential purchasers;
- 2. Agency staff's comparative summary of sealed bids or offers to purchase received;
 - 3. The records of the negotiations, if any; and
 - 4. Any supporting documents to (a)1, 2 and 3 above.
- (b) Challenges to the notice of intent to award a particular purchase agreement shall be submitted in writing to the Executive Director within ten (10) business days from the date of the letter giving notice of intent to award and shall state with specificity all arguments, materials and/or other documents that may support the challenger's position that the proposed award should be overturned. The Executive Director may extend the time for reviewing documents or submitting a challenge on good grounds shown to the satisfaction of the Executive Director in his or her sole discretion.
- (c) If a challenge is timely received, the Executive Director shall assign a hearing officer to review the challenge and make a final recommendation to the Agency. The Executive Director, in consultation with the hearing officer, has sole discretion to determine if an oral presentation by the challenger is necessary to reach an informed decision on the merits of the challenge. Challenges of the type described in this Policy, for the purpose of this Policy, are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

18. Documents considered public information

- (a) For sales conducted through the sealed bid process, after Agency staff's issuance of notice of intent to award a purchase agreement, sealed bids and other documents submitted by potential purchasers (excluding those items exempt from public access pursuant to N.J.S.A. 47:1A-1 et seq.) shall be considered public information, notwithstanding any disclaimers submitted by the potential purchaser(s) to the contrary.
- (b) For sales conducted through the offer to purchase process, after a purchase agreement has been signed by the Agency and a purchaser, documents submitted by potential purchasers (excluding those items exempt from public access pursuant to N.J.S.A. 47:1A-1 et seq.) shall be considered public information, notwithstanding any disclaimers submitted by the potential purchaser(s) to the contrary.

ATTACHMENT #2

Paragon Village Interim 2013 Financial Information

Paragon Quality, LLC Balance Sheet

As of August 31, 2013

	Aug 31, 13
ASSETS	-
Current Assets	
Checking/Savings	
1019 - TD Petty Cash Account	225.00
1018 · TD Bank Payroll	7,194.95
1017 - TD Bank Operating	334,866.75
1012 · Cash Operating Acct-Provident	-114.80
Total Checking/Savings	342,171.90
- · ·	012,111200
Accounts Receivable	450 074 00
1100 - Rents Receivable	130,271.86
Total Accounts Receivable	130,271.86
Other Current Assets	
1200 · Inventory - Uniforms	2,035.10
1060 - Cash - Provident Rent Security	413,531.06
Total Other Current Assets	415,566.16
Table Ourself Associa	000 000 00
Total Current Assets	888,009.92
Fixed Assets	
1660 · Future Expansion in Process	14,750.00
1719 · Accumulated Dep. inprov	-3,831.60
1650 - Land	814,282.00
1700 · Building	22,514,287.04
1710 · Improvements	60,259.10
1711 - Accumulated Depretn-Imprvmnts	-867,952.51
1718 - Accumulated Depreciation	-5,440,952.68
1723 · Office Equipment	30,343.45
1724 · Recreation Equipment	3,225.28
1726 · Kitchen Equipment	136,714.82
1730 · Parking Lot	1,337.50
1750 · Furniture, Fixtures & Equipment	579,979.25
1760 · Transportation Equipment	88,987.46
1770 - Landscape Equipment	47,324.49
Total Fixed Assets	17,978,753.60
Other Assets	
1960 · Refundable Deposits	6,484.95
Total Other Assets	6,484.95
TOTAL ASSETS	18,873,248.47
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	25,222.69
Total Accounts Payable	25,222.69
Other Current Liabilities	
2606 · Security Deposit - CABLE EQ.	150.00
2115 · PAID ON BEHALF NJHMFA	87,500.00
2130 · GMAC - 08 SILVERADO	5,188.79
2600 · Security Deposits - RENT	413,531.06
2605 · Security Deposit - PENDANT	18,744.61
2607 - Security Deposit - PET	5,500.00
2610 · Prepaid Rents	131,119.17
2700 · HOLIDAY FUND	-426.18
Total Other Current Liabilities	661,307.45
Total Current Liabilities	686,530.14
Total Liabilities	686,530.14
. Juli Harmon	000,000.14

Paragon Quality, LLC Balance Sheet As of August 31, 2013

	Aug 31, 13
Equity	
3106 - NJHMFA FEE	-265,000.00
3900 · Retained Earnings	18,247,882.53
Net Income	203,835.80
Total Equity	18,186,718.33
TOTAL LIABILITIES & EQUITY	18,873,248.47

Paragon Village Profit Loss Statement for the Periods Ended

	May 2013	Jan-May 2013	June-13	Jan-Jun 2013	July-13	Jan-Jul 2013	August-13	Jan-Aug 2013
Income Villaga Epos	7.528	25.957	0	25.957	8.737	34,694	3,285	37,979
Assisted Living Rent	329,650	1,537,891	335,604	1,873,495	341,750	2,215,245	366,028	2,581,272
Independent Living	135,360	630,648	128,684	759,333	139,295	898,628	140,236	1,038,864
Sublets	150	750	150	006	150	1,050	150	1,200
Total Apartment Rents	472,687	2,195,246	464,438	2,659,685	489,931	3,149,616	509,699	3,659,316
Various Billable Items	17,295	104,387	17,362	121,749	18,297	140,045	17,828	157,874
Total Income	489,983	2,299,633	481,800	2,781,434	508,228	3,289,662	527,527	3,817,189
Expenses								
Administrative	12,320	91,914	-3,504	88,410	14,383	102,794	18,682	121,476
Salaries and Related Charges	355,494	1,502,038	285,544	1,787,582	272,402	2,059,984	266,283	2,326,267
Dietary	43,862	183,008	35,494	218,502	30,059	248,561	32,114	280,675
Housekeeping	5,860	24,247	3,299	27,546	1,501	29,047	2,829	31,876
Maintenance & Repairs	10,975	161,037	33,949	194,986	25,060	220,046	28,236	248,282
Utilities	27,764	193,511	24,713	218,224	33,051	251,275	28,946	280,221
Total Expenses	456,276	2,155,755	379,495	2,535,250	376,457	2,911,707	377,090	3,288,796
	33,707	143,879	102,304	246,184	131,771	377,955	150,438	528,393
Other Expenses								
Interest	53	300	1,656	1,955	44	2,000	0	2,000
Miscellaneous (Licenses & Fees	-9,450	300	0	300	0	300	0	300
Management Fees	12,500	50,000	12,500	62,500	12,500	75,000	12,500	87,500
Total Other Expenses	3,103	50,600	14,156	64,755	12,544	77,300	12,500	89,800
Earnings before interest, taxes,	30,604	93,279	88,149	181,428	119,227	300,655	137,938	438,593
depreciation, amortization								10 mm

Please note: May was a 3 payroll month.

	Aug 13		Jan - Aug 13	
Income 4550 - Village Fee		3,285.00		37,979.00
4110 - Gross Apartment Rents 4111 - Gross Assisted Living Rent			•	
4111.1 · AL-2nd Resident	1,025.00		10,250,00	
4111.2 · AL-WILLOWS	40,797.52		334,074.54	
4111.3 · RESPITE- Assisted Living	34,080.00		161,269.92	
4111.4 · AL-State Sponsored	14,555.51		217,820.96	
4111.5 · Cost Share-AL State Sponsored 4111.6 · Medicaid Services State AL	-6,476.20 68,312.75		3,059.59 404,995.10	
4111.7 - Private Pay Rent Supplement	1.857.00		14,856.00	
4111.8 · Levels of Service	1,001.100		· Hoods	
4111.90 · Levels of Service-Discount	-1,472.50		-5,842.50	
4111.89 · Levels of Service-Level 5 AL	5,890.00		20,425.00	
4111.88 · Levels of Service-Level 4AL 4111.81 · Medication Management AL	7,440.00 0.00	•	30,825.00	
4111.82 · Levels of Service-Level 1AL	8,122.00		5,082.00 79,576.00	
4111.83 - Levels of Service-Level 2AL	13,600.00		73,670.00	
4111.84 - Levels of Service-Level 3AL	26,195.00	•	82,445.00	
4111.85 · Levels of Service-Level 2W	0.00		1,815.00	
Total 4111.8 · Levels of Service	59,774.50		287,995,50	
4111 · Gross Assisted Living Rent - Other	152,101.48		1,146,951.16	
Total 4111 · Gross Assisted Living Rent	366,027.56		2,581,272.77	•
4112 · Morris Hall-Gross IL Rents			•	
4112.1 · IL-2nd Resident Fee	2,074.78		16,268.80	
4112.2 · Independent Living-LI Studio 4112.3 · IL-LI One Bedroom	7,361.23 13,486.00		60,513.47	
41124 · IL- RESPITE	7,580.00		110,480.32 43,214.25	
4112 · Morris Hall-Gross IL Rents - Other	109,734.46		808,386.81	
Total 4112 - Morris Hall-Gross IL Rents	140,236.47		1,038,863.65	i .
4113 · SUBLETS				
4112.5 · IL-Sublets	150.00		1,200.00	
Total 4113 - SUBLETS	150.00		1,200.00)
Total 4110 - Gross Apartment Rents	50	16,414.03	3,6	21,336.42
4305 - Internet Radio 4305.1 - Internet Radio - AL	15.95		127.60)
Total 4305 · Internet Radio		15.95		127.60
4306 · Cable-TV				
4306.1 · Cable TV-AL	2,018.65		15,258.20	1
4306.2 · Cable TV-IL	2,251,64		16,796.20	
4308 · Cable TV (2nd)Account 4306 · Cable-TV - Other	105.95 0.00		903.27 108.93	
Total 4306 · Cable-TV	0,00	4,376.24		33,066,60
4312 · Barber & Beauty		.,0.0		00,000.00
4312.12 · Blow Dry & Set -AL	820.00		6,460.00	
4312.22 · Blow Dry & Set - IL	340.00		3,300.00	
4312.15 · Men's Haircut -AL 4312.25 · Men's Haircut-iL	78.00 25.00		663,00	
4312.16 · Perms-AL	106.00		221.00 540.00	
4312.26 · Perms- IL	00.0		108.00	
4312,17 · Wax/Eyebrows AL	0.00		5.00	
4312.18 - Wax/Facial-AL	00.0		18.00	
4312.28 · Wax/Facial-IL 4312.19 · Women's Haircut-AL	18.00		90.00	
4312.29 · Women's Haircut-IL	336.00 288.00		2,592.00 2,592.00	
4313.13 · Color-AL	264,00		2,005.00	
4312.23 · Color-II.	132.00		748.00	
4312 · Barber & Beauty - Other	0.00		0.00)
Total 4312 · Barber & Beauty		2,410.00		19,342.00
4314 · Housekeeping		75.00		-1,459.24
4318 · Special Labor Fee 4322 · Lost Key Fee		0.00 30.00		250.00 110.00
TOTAL EVOLUCY CO		ULLU		1 (0.00

	Aug 13	Jan - Aug 13
4325 · Telephone Income 4326 · Telephone 02 Basic Monthly Plan 4326.1 · Telephone 02 Basic Mo Plan-AL 4326.2 · Telephone 03 Basic Mo. Plan · IL 4327.12 · Telephone 03 Per Min Chrg AL 4327.22 · Telephone 03(Per Min Charge) IL 4328.1 · Telephone 04 (Tele NO Out) IL 4328.2 · Telephone 05 Upgradad IL 4330.2 · Telephone 05 Upgradad IL 4333.1 · Telephone · 08 · *411 * Usage AL 4333.2 · Telephone 09 Deposit	0.00 1,438.20 1,034.70 15.49 65.29 139.30 230.77 190.00 0.00 6.00 0.00	151.80 10,467.31 8,812.76 448.51 680.66 1,216.34 1,617.24 950.00 24.00 16.00 300.00
Total 4325 · Telephone Income	3,119	.75 24,684.62
4316 · Wireless Internet Charges 4316.1 · Wireless Internet Mo Fee-AL 4316.2 · Wireless Internet Mo Fee - IL 4316.32 · Wireless Card Deposit-IL 4316.41 · Wireless Internet Set-Up AL 4316.42 · Wireless Internet Set Up - IL 4316 · Wireless Internet Charges - Other	0.00 209.65 0.00 362.00 344.95 0.00	197.65 1,260.35 150.00 5,075.45 1,414.75 124.95
Total 4316 · Wireless Internet Charges	916	.60 8,223.15
4335 · Guest Stays 4336 · Pet Fee (Yearly) 4341 · Transportation 4343 · Transportation Mileage	320 0. 16.50	.00 2,000.00 .00 250.00 38.25
Total 4341 - Transportation	16.	.50 38.25
4350 · Misc. Service Income 4354 · Meal Plan 4355 · Guest Meals(Breakfast) 4355 · Guest Meals (Lunch) 4357 · Guest Meals (Lunch) 4361 · Additional Meal Resident(Lunch) 4363 · Tray Service 4363.1 · Tray Service-AL 4363.2 · Tray Service - IL 4373 · Missed Meals 4354 · Meal Plan - Other	0.00 187.50 100.00 340.00 0.00 0.00 10.00 -99.00 0.00	.13 353.78 64.00 769.00 1,288.75 3,007.50 150.00 220.00 10.00 -276.00 -123.50
Total 4354 - Meal Plan	. 538.	5,109.75
4364 • Enhanced Meal Plan 4371 • Meal Plan(Enhanced) Res. Per Mo	2,189.00	16,219.00
Total 4364 · Enhanced Meal Plan	2,169.	.00 16,219.00
4375 · Laundry Service 4381 · Security Pendant 4384 · Security Pendant Deposit 4381 · Security Pendant - Other	717. 0.00 0.00	-100.00 -8.82
Total 4381 · Security Pendant	0.	.00 -168.82
4381.1 - Security Pendant-AL 4381.2 - Security Pendant-IL 4430.1 - Late Charges & Other - AL 4430.2 - Late Payment Fees & Other - IL 4440 - Returned Checks (1st Time) 4441 - Returned Checks (2nd Time) 4460 - Other 4514 - Recreation Facilities 4515 - Entertainment/Recreation	0. 0.	.95 3,059.69
Total 4514 - Recreation Facilities		.00 -150.00
4590 · Other Income	227.	
Total Income	527,527	
Gross Profit	527,527.	
Expense		
66900 - Reconciliation Discrepancies 5492 - Kitchen Supplies Contract		.00 0.00 .00 65.00

\$799 - Total Exp \$790 -		Aug 13	Jan - Aug 13
STIP - Donations & Contributions 100.00 33.03			
\$121 - Stationery Stapplies \$80.81 \$3,871,80 \$1022 - Tolleghtone \$10.00 \$3,86.85 \$1022 - Tolleghtone \$10.00 \$3,86.85 \$1022 - Tolleghtone \$10.00 \$3,86.85 \$1022 - Tolleghtone \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$10.00 \$1,500.20 \$1,714.70 \$1,500.20 \$1,500.20 \$1,714.70 \$1,500.20 \$1,714.70 \$1,500.20 \$1,714.70 \$1,500.20	5119 - Donations & Contributions		
ST32 - Dues & Subscriptions	5121 - Stationery Supplies		
5124 - Postage 0.00 1,590-24 5125 - Other Professions 1,337-12 13,283-66 5127 - Inspection Fees 0.00 85,00 5128 - Other Toxes 0.00 1,192,35 5129 - Livelensing Fees 0.00 1,192,35 5129 - Livelensing Fees 0.00 1,232,35 5130 - TURS 0.00 1,532,00 5131 - Livelensing Fees 0.00 1,500,00 5132 - Livelensing Fees 0.00 1,500,00 5131 - Rivelensing Fees 0.00 1,500,00 5141 - Marketing Feen 0.00 512,00 5147 - Marketing Feen 0.00 512,00 5147 - Marketing Feen 1,500,00 1,744,70 5151 - Advertising 2,500,23 1,744,70 5152 - Other Professional Fees 1,517,00 16,566,00 5152 - Other Professional Fees 1,517,00 16,566,00 5152 - Other Professional Fees 1,517,00 16,566,00 5153 - Internet Charges 1,517,00 10,460,00 5153 - Internet Charges 1,517,00 10			
1,37,12		;	· · · · · · · · · · · · · · · · · · ·
\$128 - Other Taxes 0.00 1.162.35 \$129.1 - MVC-Registration Fees 0.00 0.00 1.162.35 \$129.2 - MVC-Registration Fees 0.00 0.00 0.00 \$140.00 1.162.35 0.00 0.00 0.00 \$140.00 0.00 0.00 0.00 0.00 \$144.00 0.00 0.00 0.00 0.00 0.00 \$145.00 0.00 0.00 0.00 0.00 0.00 \$144. Marketing Event 0.00			13,253.06
Size - Licensing Fees 0.00			
Sti29 Licensing Fees - Other 0.00 1,232.55	5129 · Licensing Fees	3.35	400.27
Total \$129 - Licensing Fees 0.00 1,232.35			
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Sit4	- '		
5144 - Marketing Event 0.00 5142.00 5147 - Print Ads 42.00 1,714.70 5151 - Advertising 2,520.23 1,714.70 5151 - Advertising 2,520.23 17,921.77 5152 - Other Professional Fees 2,117.00 16,966.00 5152 - Other Professional Fees 2,117.00 87,500.00 5152 - Other Professional Fees - Other 12,500.00 87,500.00 5158 - Uniform Expanses 513.92 4,044.40 5159 - Bookkeeping & Acctg. 0.00 38,49 5160 - Computer Charges 0.00 30,49 5163 - Internet Charges 0.00 5,500.00 5163 - Internet Charges - Other 319.00 9,189,93 5165 - Employee Development 0.00 9,189,93 5165 - Employee Appreciation 7,280.00 9,189,93 5165 - Employee Appreciation 7,280.00 9,189,93 5169 - Trofes Machine Contracts 503.91 9,274.07 5179 - Orifice Machine Contracts 503.91 9,274.07 5179 - Orifice Machine Contracts 10,00 9,274.07			
5147 : Marketing Materials 977.57 1,833.32 5149 - Print Add 42,00 1,714,70 5151 : Advertising - Other 1,500.66 13,861.75 Total 5151 - Advertising 2,520,23 17,921.77 5152 - Other Professional Fees 2,117.00 16,966.00 5143 - Seauty & Barber 2,117.00 87,500.00 Total 5152 - Other Professional Fees 14,517.00 104,466.00 5158 - Uniform Expenses 513.92 4,944.40 5199 - Bookkeeping & Acetg 0.00 3494.40 5190 - Computer Charges 0.00 550.00 5163 - Internet Charges 0.00 9,239.93 Total 5160 - Computer Charges 319.00 9,239.93 5165 - Employee Development 0.00 1,783.00 5165 - Employee Development 0.00 1,783.00 5166 - Employee Development 7,00 3,882.37 5196 - Office Equip. Lease 703.14 5,211.11 5197 - Professional Fees 402.50 4,273.90 560 - Activities 7,00 8,50 5610 - Acti		0.00	
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Total 5151 - Advertising 2,520,23 17,821,77	5149 - Print Ads		
5182 Other Professional Fees 2,117.00 16,966.00 5143 - Beauty & Barber 2,117.00 17,500.00 5152 Other Professional Fees 14,517.00 104,466.00 5158 - Uniform Expenses \$13,92 4,944.40 5189 - Bookkeeping & Acctg. 0.00 33.49 5160 - Computer Charges 0.00 55.00 3160 - Computer Charges - Other 319.00 9,239.93 5165 - Employee Development 0.00 1,783.00 5165 - Employee Appreciation 7,250.00 8,274.07 5160 - Office Machine Contracts 593.91 3,982.37 5160 - Office Machine Contracts 593.91 3,982.37 5160 - Travel Employee Hinting Expense 703.14 5,211.11 5190 - Office Machine Contracts 593.91 3,982.37 5191 - Professitation 7,250.00 8,274.07 5195 - Travel Employee Hinting Expense 648.99 5,504.97 5500 - Travel Emisse 648.99 5,504.97 5610 - Activities 0.00 125.00 5610 - Activities 7,177.33 T	• • • • • • • • • • • • • • • • • • •		13,861.75
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7410 · FUTA Expense 191.21 9,840.82 7430 · SUI Expense 7,285.49 69,736.28 Total 5262 · Emp. Payroll Taxes 22,996.52 211.511.61 5263 · Workmen's Comp. 1,962.73 79,325.64		15 519 82	194 094 54
7430 - SUI Expense 7,285.49 69,736.28 Total 5262 - Emp. Payroll Taxes 22,996.52 211,511.61 5263 - Workmen's Comp. 1,962.73 79,325.64			
5263 · Workmen's Comp. 1,962.73 79,325.64			
5263 · Workmen's Comp. 1,962.73 79,325.64	Total 5262 - Emp. Payroll Taxes	22,996.52	211,511.61
T 4 2000 T 4 40 1 4 40 1	5263 · Workmen's Comp.	1,962.73	
	Total 5299 · Total Salaries & Related Chrges		

	Aug 13	Jan - Aug 13
5399 - Total Maintenance & Repairs		
5312 - Cable TV	2,073.95	17,112.94
5313 - Fire System Inspection	0.00	3,412.22
5322 · Carpentry	818.52	3,524,20
5323 · Plumbing	0.00	4,260,48
5324 · Electrical	2.457.46	12,485,98
5329 - Vehicles and Equipment	2,178.52	14.460.69
5331 - Grounds and Landscaping	1,034,11	9,867.01
5332 · Flooring	0,00	0.00
5335 · Roof Repairs	0.00	00.0
5340 · Painting & Decorating(Supplies)	0.00	3,778.80
5341 - Small Equipment & Tools	572,00	4,188.93
5342 - Janitorial Supplies	1,706.42	9,563.78
5344 - HVAC Supplies	1,575,00	35,177.59
5345 - Hardware Supplies	0.00	4,561.83
5351 - Nursing Supplies	2,313.62	15,769.87
5380 · Dietary Services		
5381 · Dietary - Raw Food AL	17,568.87	156,950.36
5381.2 · Dietary-Raw Food IL	11,889,24	97,962.20
5383 · Dietary - Chemicals	0.00	35.55
5384 · Dietary - AL	2,613,68	24,405.83
5384.2 · Dietary - Other IL	42.00	1,068.18
5380 · Dietary Services - Other	0.00	187.50
Total 5380 · Dietary Services	32,113.79	280,609.62
5394 · Laundry-Housekeeping	1,389.01	17,867,22
5395 · Other-Housekeeping	0.00	2,161.01
5397 · Transportation Fuel	1,439.61	11,847.52
Total 5399 - Total Maintenance & Repairs	49,672.01	450,649.69
5499 - Total Maintenance Contracts		
5412 · Sprinkler System Inspection	0.00	5.927.22
5413 - Monitoring & Protection	0.00	4,496,70
5414 - Fire System Monitoring	0.00	2,610.00
5425 - Elevator Contract	1,034.00	8.419.16
5426 · Rubbish Removal	2,489,38	20.581.77
5450 · Telephone System Maintenance	3,232.82	31,052.14
5460 · Exterminating	2,020.00	17,220.00
Total 5499 · Total Maintenance Contracts	8,776.20	90,306.99
5599 · Total Utilities	,	a olocione
5521 · Water	0.00	7,299.87
5522 · Sewer Charges	0.00	8,798.36
5523 · Electricity	25,324.82	201,128.47
5524 · Gas	3,621.54	62,994.23
Total 5599 · Total Utilities	28,946.36	280,220.93
5712 · Insurance	4,730.09	19,811.03
Total 5799 - Total Exp	389,589.53	3,376,231.47
6350 - Interest Expense	0.00	1.999.65
6380 · Licenses, Permits & Fees	0.00	300.00
6390 · Depreciation Expense	46,951,45	234,757.25
7610 · NJHMFA Fees	0.00	284,157.25
Total Expense	436,540.98	3,613,353.37
Net Income	90,986.38	203,835.80
		250,000,00

2013 IL Paragon Census

Independent Living	70												
Model	# Avail. Units	Private	¥	April	_	May	<u> </u>	June		July	•	August	
				Low		Low		Low		Low		Low	
		Rate	Private	Income	Private	Income	Income Private	Income Private	Private	Income	Private	Income	a 1
Eisenhower (Studio)	16	\$ 2,010.00		80		00	8	3 8		8	8	8	∞
Jeferson (1 Bedroom)	24	\$ 2,865.00	13	1	τη,	ωi ←I	1 13	113	₩.	3 1	₩.	12	11
Coolidge (1 Bedroom)	m	\$ 2,980.00	æ			m	,			ന		æ	
Roosevelt (1 Bedroom)	က	\$ 3,099.00	***	Π.		2	·-i			2	⊣	7	∺
Kennedy (1 Bedroom)	m	\$ 3,233.00				ч	- 4	-		1	Н	1	⊣
Monroe (1 Bedraom)	ຕ	\$ 3,099.00				7				m;		æ	
Washington (1 Bedroom)	m	\$ 3,280.00	t.1			m				rr)		æ	
Adams (1 Bedroom)	9	\$ 3,840,00	נט			5	•			rv.		'n	
Madison (2 Bedroom)	₹	\$ 4,310.00	***			₽	•			2		က	
Lincoln (2 Bedroom)	ო	\$ 4,425.00				2		~		2		2	
Capitol Suite (2 Bedroom)	2	\$ 4,955.00	7			2				2		2	
	%Occupancy			86%		%06		91%		93%		88%	
**** Occupancy indicated by number of units oc	by number of unit	s occupied]				I		İ	

* 1 Lincoln is being used by agency personnel (#106) and therefore not available to rent and is accounted for as occupied.

Paragon AL 2013 Census

82 Licensed Capacity

365	Total	11285	6752	548	302	18887	62%
31	Dec					0	%0
30	Nov					0	%0
31	Oct					0	%0
30	Sep					0	%0
31	Aug	1583	260	39	23	2405	94%
]n						
30	Jun	1308	779	132	23	2242	%06
31	May	1431	876	. 57	23	2387	93%
	Apr						
	Mar						
28							%26
31							94%
		Private	Cald	Private-BH	Caid-BH****	Total	%Occupancy

***** Occupancy does not include Medicaid Bed Hold Days

Low Income Loss Run Paragon Village IL September 2013

	Unit Number	Subsidized Rent	Market Rate	Opportunity Cost
Eisenhower Low income Current Tenent rates	202	\$1,328.80	\$2,042.00	\$713.20
	211	\$1,102.35	\$2,042.00	\$939,65
	212	\$941.90	\$2,042.00	\$1,100.10
***************************************	214	\$1,040.90	\$2,042.00	\$1,001.10
	215	\$949.10	\$2,042.00	\$1,092.90
	216	\$1,157.90	\$2,042.00	\$884.10
	311	\$1,004.65	\$2,042.00	\$1,037.35
**************************************	314	\$941.90	\$2,042.00	\$1,100.10
	Total: 8	\$8,467.50	\$16,336.00	\$7,868.50
		CONTRACTOR OF THE PROPERTY OF		
Jefferson low income Current Resident Rates	103	\$1,150.45	\$2,911.00	\$1,760.55
	108	\$1,051.90	\$2,911.00	\$1,859.10
	201	\$1,159.85	\$2,911.00	\$1,751.15
**************************************	203	\$1,083.90	\$2,911.00	\$1,827.10
2000-2000-2000-2000-2000-2000-2000-200	207	\$1,024.85	\$2,911.00	\$1,886.15
***************************************	208	\$1,046.90	\$2,911.00	\$1,864.10
7 T T T T T T T T T T T T T T T T T T T	220	\$1,035.90	\$2,911.00	\$1,875.10
	227	\$1,130.90	\$2,911.00	\$1,780.10
***************************************	304	\$1,119.85	\$2,911.00	\$1,791.15
TANKANGANGANGANGANGANGANGANGANGANGANGANGANGA	307	\$1,244.90	\$2,911.00	\$1,666.10
	320	\$1,062.85	\$2,911.00]	\$1,848.15
	Total: 11	\$12,112.25	\$32,021.00	\$19,908.75
Roceavelt I ow Income	226	\$1.543.00	\$3.149.00	\$1,606.00
	Total: 1	\$1,543.00	\$3,149.00	\$1,606.00
			C THE CONTRACTOR OF THE CONTRA	A I C C II C C C C C C C C C C C C C C C
Kennedy- Special Rate NOT Low Income	219	\$3,080.00	\$3,285.00	\$205.00
	Total: 1	\$3,080.00	\$3,285.00	\$205.00
	21 Apartments		Monthly	\$29,588.25
		***********	Annual	\$355,059.00
	1			

ATTACHMENT #3

Procedures Letter Clifton Larsen Allen



To:

Mr. David P. Bonomo, Chief Financial Officer

From:

Chance Bunger, Manager, Business Risk Services, CliftonLarsonAllen Steve Coons, Manager, Business Risk Services, CliftonLarsonAllen

cc:

Matthew Claeys, Partner, CliftonLarsonAllen, Ben Miller, Hospicomm

Date:

August 22, 2013

Re:

Agreed Upon Procedures for Paragon Village and New Jersey Housing and Mortgage Finance Agency

Background

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) engaged CliftonLarsonAllen (CLA) to analyze the trial balance of Paragon Village; a New Jersey based residential living community which NJHMFA has recently taken ownership of via deed in lien of foreclosure against prior ownership of the facility. The end result of this analysis was to provide a compiled balance sheet as of March 31, 2013 based on adjustments made to the trial balance.

CLA worked with Hospicomm, the team currently engaged as the third party administrator for operations at Paragon Village. Specifically CLA worked with Susan Vernacchio, the primary accounting person tasked with Paragon Village's accounting going forward.

Work Performed

CLA reviewed all cash accounts and obtained bank statements and reconciliations. Any differences noted in reconciliations were discussed with Hospicomm personnel and adjustments were made to the trial balance. Activity was reviewed for large or unusual items, nothing material was noted.

CLA reviewed billing and accounts receivable procedures with Hospicomm personnel. As a result of this review, balance sheet accounts were adjusted to reflect rents paid in advance vs. actual rents receivable. CLA also completed a review of accounts with past due balances.

CLA discussed inventory components and procedures with Hospicomm personnel. The only inventory is product for foodservice. Hospicomm noted that the amount of foodservice inventory peaks at an estimated \$8,000. Due to the small amount and perishable nature, no inventory was included on the balance sheet.

CLA analyzed the building, equipment, vehicles, furniture and equipment fixed asset accounts for existence, completeness and accuracy. Depreciation has not been recorded by prior ownership in the financial statements. CLA took the book values of assets, applied proper depreciation methodologies to the accounts, and updated the accumulated depreciation accounts for book purposes. These adjustments were then made to the trial balance.

August 22, 2013 Page 2

CLA prepared confirmations for the ten largest account payables vendors and sent them to the vendors to confirm accuracy of the accounts payable balances. Five of the ten were returned, no account adjustments resulted.

CLA reviewed a number of accounts that were directly related to prior ownership of the facility including amortization of debt costs, long term debts, a payables account that was being used incorrectly, and capital accounts for prior ownership. All of these accounts are related to prior ownership and are not related to the current operations of Paragon Village and thus will be removed from the trial balance.

For the period ended 3/31/2013, CLA performed the following:

- Reviewed public property tax records and noted the taxes on the property are current.
- Reviewed with Hospicomm whether or not there were potential contingent liabilities for pensions, insurance, lawsuits or other matters and it appears that there are none to be booked.
- Confirmed with Hospicomm that insurance coverage is in place and appears adequate for the insured value of the facility.

CLA reviewed the April, May and June financial statements using analytical techniques for any unusual activity or items based on expectations formulated during review of the first quarter balance sheet and account activity. These were not audit procedures and should not be construed as such.

Executive Summary of Results

The trial balance provided to CLA was in QuickBooks form and included activity going back to 2003 in some accounts. Many accounts were related to activities directly tied to the former ownership group and had no bearing on the current state of Paragon Village. Any accounts that were directly related to the former ownership group in terms of equity, intercompany accounts, debt or debt related accounts and intangible assets were written off.

CLA worked with Hospicomm to establish that current cash accounts are reconciled and accounts receivable and prepaid rents as well as accounts for land, building, equipment and associated accumulated depreciation accounts are properly shown on the balance sheet.

CLA performed procedures to obtain reasonable assurance that liability accounts for accounts payable, withholdings, and contingent liabilities are correct as stated and made no significant adjustments.

Based on the value assigned to the building, the other assets as calculated and the final liabilities, CLA was able to calculate the book value of the equity at March 31, 2013 to be \$18,260,493.

The end result is that Paragon Village's primary assets are the buildings, equipment, which at least for book purposes is fully depreciated, and an operating cash account.

Upon completion of the compiled balance sheet as of March 31, 2013, Hospicomm provided CLA with financial statements for April, May and June 2013. CLA verified that the April balance sheet included CLA's recommended adjustments to the original financial activity provided. CLA reviewed the financials using analytical techniques for any unusual activity or items based on expectations formulated during review of the first quarter balance sheet and account activity. These were not audit procedures and should not be

August 22, 2013 Page 3

construed as such. Only a few minor items were questioned and Hospicomm provided appropriate explanation for the deviations.

At this time CLA considers the financial statements to be a fair and accurate representation of the current state of operations at Paragon Village. This is based on CLA's review of activity to date and CLA defers to the accounting personnel at Hospicomm to determine that the financial statements are free of material misstatement.

Summary of Adjustments

CLA reviewed the activity in all accounts and removed and/or adjusted the following accounts as of 3/31/2013 for the following reasons:

Account Number/Name	Amount of Adjustment +/(-)	Reason for Adjustment
102 – TD Bank Cash – Operating	\$81,723.17	Reconciliation of bank to book balance as of 3/31/2013.
1017 – Cash – Provident Bank	\$(623.59)	Reconciliation of bank to book balance as of 3/31/2013.
1013 — Cash — Medicaid - Provident Bank	- \$(100.00)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1031 – Real Estate Tax Escrow	\$(221.02)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1032 – Insurance Escrow	(\$663.15)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1035 – Working Capital Escrow	\$(.01)	Immaterial.
1036 – HMFA Escrow	\$(12,734.23)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1037 – HMFA Escrow #2	\$(2,488.35)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1038 – Operating Escrow	\$(2.10)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1091 – Developers Escrow	\$(1,131.37)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1095 – Developers Escrow #2	\$(2,543.10)	Escrow Account, Hospicomm does not have access to reconcile these and they do not belong to Paragon.
1100 — Rents Receivable	\$(131,119.17)	Adjusted due to "receivables" which are actually deposits due in future, adjusted and tied to liability account "prepaid rents."
1060 – Security Deposit Cash	\$27,834.76	Adjusted to agree with bank statement from Huntington.
1250 – Exchange	\$(278,333.25)	Adjusted due to being solely related to prior owners.

Summary of Adjustments (continued)

Account Number/Name	Amount of Adjustment +/(-)	Reason for Adjustment		
1500 – Due from Little Village	\$(144,780.72)	Adjusted due to being solely related		
		to prior owners.		
1556 – HMFA Funding	\$(66,731.23)	Adjusted due to being solely related		
•		to prior owners.		
1560 - Due to PVLLC from HMFA	\$(181,916.43)	Adjusted due to being solely related		
		to prior owners.		
1574 – Garnishment	\$(.01)	Immaterial.		
1718 – Accumulated Depreciation	\$(833,456.12)	Recalculated building depreciation		
		which had not been booked for		
		several years up through 3/31/2013.		
1721 – Closing Costs	\$(267,300)	Adjusted due to being solely related		
1,21 0,05,,	7(,	to prior owners.		
1725 – Accumulated Amortization	\$(71,280)	Adjusted due to being solely related		
1,25 , todamarates , where the state ,	7(to prior owners.		
1960 – Refundable Deposits	\$(1,200)	Adjusted to agree to deposit log.		
TBD – Accumulated Depreciation	\$(3,598.15)	Recalculated by CLA based on bool		
- Improvements	,	improvement amounts seen or		
mprotemante		booking dates in G/L activity.		
TBD - Accumulated Depreciation	\$(867,952.51)	Recalculated by CLA based on book		
– Equipment	, ,	equipment amounts seen on booking		
242.6		dates in G/L activity.		
TBD – Prepaid Rents	\$(131,119.17)	To adjust to proper booking at 3/3:		
		of prepaid rents versus rents		
		receivable.		
2105 – NJHMFA Note 1	\$(10,349290.86)	Adjusted due to being solely related		
2100 ,	+(,,	to prior owners.		
2110 – NJHMFA Note 2	\$(8,151,540.48)	Adjusted due to being solely related		
ZIIO WWW. Word Z	(0)	to prior owners.		
2600 – Security Deposits	\$27,834.76	Adjust liability up to match list o		
2000 Security Deposits	\$27,03 1.70	deposits and bank statements.		
2700 – Holiday Fund	\$(274.98)	Immaterial.		
2950 – Long Term Payables	\$(20,423,504.02)	Adjusted due to being solely related		
		to prior owners.		
3000 – Capital N. Paragano	\$(6,872,138.87)	Adjusted due to being solely related		
- Contraction of Manual	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	to prior owners.		
3100 – Capital V. Paragano	\$(3,468,471.58)	Adjusted due to being solely related		
5100 Capital V. I alugano	7(2),000,77,200,7	to prior owners.		
3900 – Retained Earnings	\$(10,409,005.71)	Adjusted due to being solely relate		
5500 Retailed Latrings	7(20) (00),000 (1)	to prior owners.		

ATTACHMENT #4

REQUIRED FORMS

Public Law 2005, Chapter 51

(formerly Executive Order 134) and Executive Order 117 (2008)

INFORMATION AND INSTRUCTIONS For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

Background Information

On September 22, 2004, then-Governor James E. McGreevey issued Executive Order 134, the purpose of which was to insulate the negotiation and award of State contracts from political contributions that posed a risk of improper influence, purchase of access or the appearance thereof. To this end, Executive Order 134 prohibited State departments, agencies and authorities from entering into contracts exceeding \$17,500 with individuals or entities that made certain political contributions. Executive Order 134 was superseded by Public Law 2005, c. 51, signed into law on March 22, 2005 ("Chapter 51").

On September 24, 2008, Governor Jon S. Corzine issued Executive Order No. 117 ("E.O. 117"), which is designed to enhance New Jersey's efforts to protect the integrity of procurement decisions and increase the public's confidence in government. The Executive Order builds upon the provisions of Chapter 51.

Two-Year Certification Process

Upon approval by the State, the Certification and Disclosure of Political Contributions form (CH51.1R1/21/2009) is valid for a two (2) year period. Thus, if a vendor receives approval on Jan 1, 2009, the certification expiration date would be Dec 31, 2011. Any change in the vendor's ownership status and/or political contributions during the two-year period will require the submission of new Chapter 51/EO117 forms to the State Review Unit. Please note that it is the vendor's responsibility to file new forms with the State should these changes occur.

Prior to the awarding of a contract, the agency should first send an e-mail to CD134@treas.state.nj.us to verify the certification status of the vendor. If the response is that the vendor is NOT within an approved two-year period, then forms must be obtained from the vendor and forwarded for review. If the response is that the vendor is within an approved two-year period, then the response so stating should be placed with the bid/contract documentation for the subject project.

Instructions for Completing the Forms

NOTE: Please refer to the next section, "Useful Definitions for Purposes of Ch. 51 and E.O. 117," for guidance when completing the forms.

Part 1: VENDOR INFORMATION

Business Name - Enter the full name of the Vendor, including trade name if applicable.

Business Type -- Select the vendor's business organization from the list provided.

Address, City, State, Zip and Phone Number -- Enter the vendor's street address, city, state, zip code and telephone number.

Vendor Email - Enter the vendor's primary email address.

Vendor FEIN - Please enter the vendor's Federal Employment Identification Number.

Public Law 2005, Chapter 51

(formerly Executive Order 134) and Executive Order 117 (2008)

INFORMATION AND INSTRUCTIONS For Completing The "Two- Year Vendor Certification and Disclosure of Political

Contributions" Forms

Part 2: PUBLIC LAW 2005, Chapter 51 / EXECUTIVE ORDER 117 (2008) DUAL CERTIFICATION

Read the following statements and verify that from the period beginning on or after October 15, 2004, no contributions as set forth at subsections 1(a)-(c) have been made by either the vendor or any individual whose contributions are attributable to the vendor pursuant to Executive Order 117 (2008).

NOTE: Contributions made prior to November 15, 2008 are applicable to Chapter 51 only.

Part 3: DISCLOSURE OF CONTRIBUTIONS MADE

Check the box at top of page 2 if no reportable contributions have been made by the vendor. If the vendor has no contributions to report, this box must be checked.

Name of Recipient Entity – Enter the full name of the recipient entity.

Address of Recipient Entity – Enter the recipient entity's street address.

Date of Contribution - Indicate the date of the contribution.

Amount of Contribution – Enter the amount of the reportable contribution.

Type of Contribution – Select the type of contribution from the list provided.

Contributor Name - Enter the full name of the contributor.

Relationship of Contributor to the Vendor -- Indicate relationship of the contributor to the vendor, e.g. officer or partner of the company, spouse of officer or partner, resident child of officer or partner, parent company of the vendor, subsidiary of the vendor, etc.

NOTE: If form is being completed electronically, click "Add a Contribution" to enter additional contributions. Otherwise, please attach additional pages as necessary.

Part 4: CERTIFICATION

Check box A if the person completing the certification and disclosure is doing so on behalf of the vendor and all individuals and/or entities whose contributions are attributable to the vendor.

Check box B if the person completing the certification and disclosure is doing so on behalf of the vendor only.

Check box C if the person completing the certification and disclosure is doing so on behalf of an individual and/or entity whose contributions are attributable to the vendor.

Enter the full name of the person authorized to complete the certification and disclosure, the person's title or position, date and telephone number.

(formerly Executive Order 134) and Executive Order 117 (2008)

INFORMATION AND INSTRUCTIONS For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

USEFUL DEFINITIONS FOR THE PURPOSES OF Ch. 51 and E.O. 117

- · "Vendor" means the contracting entity.
- "Business Entity" means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition also includes (i) if a business entity is a for-profit corporation, any officer of the corporation and any other person or business entity that owns or controls 10% or more of the stock of the corporation; (ii) if a business entity is a professional corporation, any shareholder or officer; (iii) if a business entity is a general partnership, limited partnership or limited liability partnership, any partner; (iv) if a business entity is a sole proprietorship, the proprietor; (v) if the business entity is any other form of entity organized under the laws of New Jersey or any other state or foreign jurisdiction, any principal, officer or partner thereof; (vi) any subsidiaries directly or indirectly controlled by the business entity; (vii) any political organization organized under 26 U.S.C.A. § 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (viii) with respect to an individual who is included within the definition of "business entity," that individual's spouse or civil union partner and any child residing with that person. 1
- "Officer" means a president, vice-president with senior management responsibility, secretary, treasurer, chief executive officer, or chief financial officer of a corporation or any person routinely performing such functions for a corporation. Please note that officers of non-profit entities are excluded from this definition.
- "Partner" means one of two or more natural persons or other entities, including a corporation, who or which are
 joint owners of and carry on a business for profit, and which business is organized under the laws of this State or
 any other state or foreign jurisdiction, as a general partnership, limited partnership, limited liability partnership,
 limited liability company, limited partnership association, or other such form of business organization.
- "Reportable Contributions" are those contributions, including in-kind contributions, in excess of \$300.00 in the
 aggregate per election made to or received by a candidate committee, joint candidates committee, or political
 committee; or per calendar year made to or received by a political party committee, legislative leadership
 committee, or continuing political committee.
- "In-kind Contribution" means a contribution of goods or services received by a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, which contribution is paid for by a person or entity other than the recipient committee, but does not include services provided without compensation by an individual volunteering a part of or all of his or her time on behalf of a candidate or committee.
- "Continuing Political Committee" includes any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least \$4,300 to aid or promote the candidacy of an individual, or the candidacies of individuals, for elective public office, or the passage or defeat of a public questions, and which may be expected to make contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association or other organization has been determined by the Commission to be a continuing political committee in accordance with N.J.S.A. 19:44A-8(b).

¹ Contributions made by a spouse, civil union partner or resident child to a candidate for whom the contributor is eligible to vote or to a political party committee within whose jurisdiction the contributor resides are permitted.

Public Law 2005, Chapter 51

(formerly Executive Order 134) and Executive Order 117 (2008)

INFORMATION AND INSTRUCTIONS

For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

- "Candidate Committee" means a committee established by a candidate pursuant to N.J.S.A. 19:44A-9(a), for the purpose of receiving contributions and making expenditures.
- "State Political Party Committee" means a committee organized pursuant to N.J.S.A. 19:5-4.
- "County Political Party Committee" means a committee organized pursuant to N.J.S.A. 19:5-3.
- "Municipal Political Party Committee" means a committee organized pursuant to N.J.S.A. 19:5-2.
- "Legislative Leadership Committee" means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly, or the Minority Leader of the General Assembly pursuant to N.J.S.A. 19:44A-10.1 for the purpose of receiving contributions and making expenditures.
- "Political Party Committee" means:
 - 1. The State committee of a political party, as organized pursuant to N.J.S.A. 19:5-4;
 - 2. Any county committee of a political party, as organized pursuant to N.J.S.A. 19:5-3; or
 - 3. Any municipal committee of a political party, as organized pursuant to N.J.S.A. 19:5-2.

Agency Submission of Forms

The agency should submit the completed and signed Two-Year Vendor Certification and Disclosure forms, together with a completed Ownership Disclosure form, either electronically to cd134@treas.state.nj.us or regular mail at Chapter 51 Review Unit, P.O. Box 039, 33 West State Street, 9th Floor, Trenton, NJ 08625. Original forms should remain with the Agency and copies should be sent to the Chapter 51 Review Unit.

Questions & Answers

Questions regarding the interpretation or application of Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13) or Executive Order 117 (2008) may be submitted electronically through the Division of Purchase and Property website at http://www.state.nj.us/treasury/purchase/execorder134.shtml. Responses to previous questions are posted on the website, as well as additional reference materials and forms.

NOTE: The Chapter 51 Q&A on the website DOES NOT address the expanded pay-to-play requirements imposed by Executive Order 117. The Chapter 51 Q&A are only applicable to contributions made prior to November 15, 2008. There is a separate, combined Chapter 51/E.O. 117 Q&A section dealing specifically with issues pertaining to contributions made after November 15, 2008, available at http://www.state.nj.us/treasury/purchase/execorder134.shtml#state.



State of New Jersey

Division of Purchase and Property

Two-Year Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions

General Informati	on For A	GENCY USE ONLY	
	되는 하다는 그를 바꾸는 것이 얼마나요?	Award Amount	
Solicitation, RFP or 0		Tweld Alloung	
Description of Servic Agency Contact II Agency		Contact Person	
Phone Number		Agency Email	
Part 1: Vendor Info			
Full Legal Business	Name		
	(Including trade name if applic	able)	
Business Type	Corporation Limite	ed Partnership Professional Corp	pration General Partnership
Business Type	Limited Liability Company	Sole Proprietorship	Limited Liability Partnership
Address 1	L. J. Zilinica Zabin, Goriper,		
	State	Zip	Phone
Vendor Email		Vendor FEIN	
Part 2: Public Law	2005, Chapter 51/ Executive C	,	
hereby certify as follo		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
On or after On the entity pure including in-k	ctober 15, 2004, neither the below-r suant to Executive Order 117 (2008	named entity nor any individual whose co) has solicited or made any contribution of hization contributions, as set forth below to executive Order 117 (2008).	of money, pledge of contribution,
a) Within the pr	eceding 18 months, the below-nar	ned person or organization has not made	e a contribution to:
or <i>Lieu</i> (ii) Any St	indidate committee and/or election f utenant Governor, ate, county, municipal political part gislative leadership committee.	und of any candidate for or holder of the y committee; OR	public office of Governor
h) During the te	erm of office of the current Govern	nor(s), the below-named person or organ	nization has not made a

- contribution to
 - (i) Any candidate, committee and/or election fund of the Governor or Lieutenant Governor, OR
 - (ii) Any State, county or *municipal* political party committee nominating such Governor in the election preceding the commencement of said Governor's term.
- c) Within the 18 months immediately prior to the first day of the term of office of the Governor(s), the below-named person or organization has not made a contribution to
 - (i) Any candidate, committee and/or election fund of the Governor or Lieutenant Governor, OR Any State, county, municipal political party committee of the political party nominating the successful gubernatorial candidate(s) in the last gubernatorial election.

PLEASE NOTE: Prior to November 15, 2008, the only disqualifying contributions include those made by the vendor or a principal owning or controlling more than 10 percent of the profits or assets of a business entity (or 10 percent of the stock in the case of a business entity that is a corporation for profit) to any candidate committee and/or election fund of the Governor or to any state or county political party within the preceding 18 months, during the term of office of the current Governor or within the 18 months immediately prior to the first day of the term of Office of Governor.

Date of Contribution Amount of Contribution Type of Contribution (i.e. currency, check, loan, in-kind Contributor Name Relationship of Contributor to the Vendor Contributor Address City State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	Contribution (i.e. currency, check, loan, in-kind	lame of Recipient		Address of Recipie	ent		
Type of Contribution (i.e., currency, check, loan, in-kind Contributor Name Relationship of Contributor to the Vendor Contributor Address City State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise dick "Add a Contribution" to enter additional contributions.	Contribution (i.e. currency, check, loan, in-kind						
Relationship of Contributor to the Vendor Contributor Address City State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	ship of Contributor to the Vendor	ype of Contribution (i.e. curren	ncy, check, loan, in-kind				
Relationship of Contributor to the Vendor Contributor Address City State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	ship of Contributor to the Vendor						
Cotty State Zip State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	State Zip If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.						
If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	If this form is not being completed electronically, please attach pages for additional contributions as necessary. Otherwise click "Add a Contribution" to enter additional contributions.		ne Vendor				
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as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	as necessary. Otherwise click "Add a Contribution" to enter additional contributions.	City					
			If this form is not as necessary. O	t being completed elec otherwise click "Add a (tronically, please a Contribution" to ent	ttach pages for additional contriter additional contriter additional contributions.	outions
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Part 4: Certification				•	
I have read the instructions accompanying this form prior I certify that, to the best of my knowledge and belief, the are willfully false, I am subject to punishment.	to completing this c foregoing statements	ertification on behalf o s by me are true. I am	f the above-named aware that if any o	business entity. Tthe statements	
I understand that this certification will be in effect for does not change and/or additional contributions are contributions are made, a new full set of documents are r Disclosure, the person or entity named herein acknowled	not made. If there a required to be compl	are any changes in the eted and submitted. E	ownership of the e by submitting this C	ntity or addition: ertification and	
(CHECK ONE BOX A, B or C)					
(Å) \square I am certifying on behalf of the above-named but attributable to the entity pursuant to Executive O	siness entity and all rder 117 (2008).	individuals and/or entit	ies whose contribu	tions are	
(B) I am certifying on behalf of the above-named but	siness entity only.				
(C) am certifying on behalf of an individual and/or e	entity whose contribu	itions are attributable t	o the vendor.		
Signed Name	Print Name	, , , , , , , , , , , , , , , , , , ,			
Phone Number	Date				
Title/Position	•				
Agen	<u>cy Submissior</u>	of Forms	•		
The agency should submit the completed and sig completed Ownership Disclosure form, either elect Unit, P.O. Box 039, 33 West State Street, 9 th Floor, original forms on file, and submit copies to the Chapt	ronically to cd134 Trenton, NJ 08628	@treas.state.nj.us, 5. The agency shou	or regular mail a	t Chapter 51	Review
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Page 3 of 3

CH51.1 R1/21/2009

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REQUEST FOR OFFERS TO PURCHASE FOR

THE SALE OF REAL PROPERTY: PARAGON VILLAGE

OWNERSHIP DISCLOSURE FORM

Bid	lder:							
	RT 1: PLEASE COMPLETE THE QUESTIONS BELOW BY CHECKING EITHER THE "YERTIES ENTERING INTO A CONTRACT WITH THE AGENCY ARE REQUIRED TO COMPLETE							
CE RE	PLEASE NOTE: IF THE BIDDER IS A NON-PROFIT ENTITY, INDICATE BELOW AT QUESTION 1 AND EXECUTE THE CERTIFICATION BELOW; COMPLETION OF THE REMAINDER OF THIS OWNERSHIP DISCLOSURE FORM IS NOT REQUIRED. PLEASE COMPLETE THE DISCLOSURE OF INVESTIGATIONS AND THE DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN.							
IN	THE BIDDER IS A FOR PROFIT ENTITY, THIS OWNERSHIP DISCLOSURE FORM, VESTIGATIONS AND THE DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN MUST BITIRETY.	THE DI E COMPLI	SCLOSURE OF ETED IN THEIR					
2000000		YES	NO					
1.	Is the Bidder a Non-Profit Entity?							
NO	THE ANSWER TO QUESTION 1 IS YES, PLEASE EXECUTE THE CERTIFICATION AT THE END C T HAVE TO COMPLETE ANY MORE QUESTIONS ON THIS FORM. IF THE ANSWER TO QU SWER QUESTION 2 BELOW.							
		YES	NO					
2.	Are there any individuals, corporations or partnerships owning a 10% or greater interest in the Bidder?							
NO	THE ANSWER TO QUESTION 2 IS NO, PLEASE EXECUTE THE CERTIFICATION AT THE END CONTROL TO COMPLETE ANY MORE QUESTIONS ON THIS FORM. IF THE ANSWER TO QUISWER QUESTIONS 3-5 BELOW.	F THIS EX ESTION 2	KHIBIT. YOU DO IS YES, PLEASE					
3.	Of those parties owning a 10% or greater interest in the Bidder, are any of those parties individuals?							
4.	Of those parties owning a 10% or greater interest in the Bidder, are any of those parties corporations or Partnerships?							
5.	If your answer to Question 4 is YES, are there any parties owning a 10% or greater interest in the corporation or partnership referenced in Question 3?							
	ANY OF THE ANSWERS TO QUESTIONS 3-5 ARE YES, PLEASE PROVIDE THE REQUESTED LOW.	NFORMA	TION IN PART 2					

PART 2: PLEASE PROVIDE FURTHER INFORMATION RELATED TO QUESTIONS 2-4 ANSWERED AS YES.

For Questions 2-5 answered <u>YES</u>, you must disclose identifying information related to the individuals, partnerships and/or corporations owning a 10% or greater interest in the Bidder. Further, if one or more of these entities is itself a corporation or partnership you must also disclose all parties that own a 10% or greater interest in that corporation or partnership. This information is required by statute.

TO COMPLETE PART 2, PLEASE PROVIDE THE REQUESTED INFORMATION PERTAINING TO EITHER INDIVIDUALS OR BUSINESS ENTITIES HAVING A 10% OR GREATER INTEREST IN THE BIDDER. USE ADDITIONAL SHEETS AS NECESSARY AND ATTACH.

	Individuals	
	Name: Date of Birth	
	Office Held:%	•
	Home Address:	
	City State Zip Code	
	Business Entities	
	Entity Name:	
	Partner Name: Ownership Interest%	
	Business Address:	
	City State Zip Code	
	Are there additional entities holding 10% or greater ownership interest in the Bidder and its parent corporation/partnership?	
	☐ YES or ☐ NO	
	If YES, complete an ownership disclosure for all such entities	÷
BIDDER AND ITS BELOW, AND PR	NTIFIED ALL PARTIES HAVING A 10% OR GREATER OWNERSHIP IN SPARENT CORPORATION/PARTNERSHIPS, PLEASE EXECUTE THE C ROCEED TO THE DISCLOSURE OF INVESTIGATIONS FORM, AND THE FACTIVITIES IN IRAN FORM.	CERTIFICATIO
attachments thereto information contain certification through the answers of infor statement or misrep under the law and the	ing duly sworn upon my oath, hereby represent and state that the foregoing in to the best of my knowledge are true and complete. I acknowledge that the Agen ned herein and thereby acknowledge that I am under a continuing obligation from the completion of any contracts with the Agency to notify the Agency in writing remation contained herein. I acknowledge that I am aware that it is a criminal offer presentation in this certification, and if I do so, I recognize that I am subject to contain the true and true any contract(s) resulting from this certification void and unenforceable.	cy is relying on the common the date of the good any changes anse to make a fall riminal prosecution.
Full Name (Print):	Signature:	
Title:	Date:	
FEIN/SSN:		

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REQUEST FOR OFFERS TO PURCHASE FOR THE SALE OF REAL PROPERTY: PARAGON VILLAGE

DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING BIDDER FORM

Bid	Bidder:					
PAI	RT 1: PLEASE COMPLETE THE QUESTIONS BELOW BY CHECKING EITHER THE "YES" OR "NO" BOX.	ne n	namenone de de la			
	EASE REFER TO THE PERSONS AND/OR ENTITIES LISTED ON YOUR OWNERSHIP DISCLOSUR SWERING THE QUESTIONS BELOW.	E FORM W	HEN			
NO RE	N-PROFIT BIDDERS: PLEASE LIST ALL OFFICERS/DIRECTORS IN PART 2 OF THIS FORM. QUIRED TO ANSWER THE QUESTIONS BELOW WITH RESPECT TO THESE INDIVIDUALS.	YOU WIL	L BE			
		YES	NO			
1.	Has any person or entity listed on the Ownership Disclosure form and/or this form or its attachments ever been arrested, charged, indicted, or convicted in a criminal or disorderly persons matter by the State of New Jersey (or political subdivision thereof), any other state or the U.S. Government?					
2.	Has any person or entity listed on the Ownership Disclosure form and/or this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any government agency from bidding or contracting to provide services, labor, materials or supplies?					
3.	Are there currently any pending criminal matters or debarment proceedings in which the firm and/or its officers and/or managers are involved?					
4.	Has any person or entity listed on the Ownership Disclosure form and/or this form or its attachments been denied any license, permit or similar authorization required to engage in the work applied for herein, or has any such license, permit or similar authorization been revoked by any agency of this State (or political subdivision thereof), federal, another state or local government?					
	IF ANY OF THE ANSWERS TO QUESTIONS 1-4 ARE <u>YES</u> , PLEASE PROVIDE THE REQUESTED INFORMATION IN PA IF ALL OF THE ANSWERS TO QUESTIONS 1-4 ARE <u>NO</u> , PLEASE EXECUTE THE CERTIFICATION BELOW. NO FURTH NEEDED. IF YOU ARE A NON-PROFIT, YOU MUST DISCLOSE ALL OFFICERS/DIRECTORS IN PART 2 BEL	IER ACTION	is			

PART 2: PROVIDING ADDITIONAL INFORMATION

For Questions 1-4 answered "YES", you must provide a detailed description of any investigation or litigation, including but not limited to administrative complaints or other administrative proceedings, involving public sector clients during the past 5 years. This description must include the nature and status of the investigation, and for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and if applicable, disposition. Please provide this information in the box labeled "Additional Information" below. Please provide thorough answers to each question. If additional entries are needed, provide on an attached sheet.

All Non-Profit Bidders must disclose the individuals serving as officers and/or directors for purposes of this form. Please indicate all individuals acting in either capacity by providing the information located in the "Officers/Directors" box. If additional entries are needed, provide on an attached sheet.

Once all required information has been disclosed, please execute the Certification at the end of this Exhibit. Failure to complete this certification will render your proposal non-responsive.

Current Status Brief Description: Caption of Action (if applicable) Bidder Contact Name Contact Phone Number Officers/Directors Complete for each Officer/Director: Name: Title: Address: City State: Zip Code: Phone: Email: In contact that the foregoing inform this thereto to the best of my knowledge are true and complete. I acknowledge that the Agency in contained herein and thereby acknowledge that I am under a continuing obligation from though the completion of any contracts with the Agency to notify the Agency in writing of are from this characteristic in this certification, and if I do so, I recognize that I am subject to criminal and that it will also constitute a material breach of my agreement(s) with the Agency and the may declare any contract(s) resulting from this certification void and unenforceable.	Person or Entity:		Date of Inception:		
Caption of Action (if applicable)	Current Status				
Gontact Phone Number Officers/Directors Complete for each Officer/Director: Name: Title: Address: City State: Zip Code: Phone: Email: State: Lip Code: Phone: Directors and state that the foregoing information the foregoing information contained herein and thereby acknowledge that I am under a continuing obligation from the form of the formation of any contracts with the Agency to the formation contained herein. I acknowledge that I am under a continuing obligation from the formation contained herein. I acknowledge that I am aware that it is a criminal offense or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal award that it will also constitute a material breach of my agreement(s) with the Agency and that	Brief Description:				
Officers/Directors Complete for each Officer/Director: Name: Title: Address: City State: Zip Code: Phone: Email: ion: I, being duly sworn upon my oath, hereby represent and state that the foregoing informatis thereto to the best of my knowledge are true and complete. I acknowledge that the Agency is on contained herein and thereby acknowledge that I am under a continuing obligation from the completion of any contracts with the Agency to notify the Agency in writing of ers of information contained herein. I acknowledge that I am aware that it is a criminal offense or misrepresentation in this certification, and if I do so, I recognize that I am subject to crimilaw and that it will also constitute a material breach of my agreement(s) with the Agency and that					_
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Officers/Directors Complete for each Officer/Director: Name:	Contact Phone Nu	ımber			_
Complete for each Officer/Director: Name:					
Complete for each Officer/Director: Name:					
Name: Title: Address: City State: Zip Code: Phone: Email: on: I, being duly sworn upon my oath, hereby represent and state that the foregoing information to the best of my knowledge are true and complete. I acknowledge that the Agency is on contained herein and thereby acknowledge that I am under a continuing obligation from those of information contained herein. I acknowledge that I am aware that it is a criminal offense or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal award that it will also constitute a material breach of my agreement(s) with the Agency and that		Con		rector:	••••
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y declare any contract(s) resulting from this certification void and unenforceable.	I, being duly hereto to the becontained here through the coof information misrepresentaty and that it wi	sworn upon my best of my knowle cin and thereby ac mpletion of any c contained herein. tion in this certificall also constitute a	oath, hereby represent and dge are true and complete. Eknowledge that I am und ontracts with the Agency t I acknowledge that I am a cation, and if I do so, I recommended that I am a cation, and if I do so, I recommended that I am a cation, and if I do so, I recommended that I am a cation, and if I do so, I recommended that I am a cation, and if I do so, I recommended that I am a cation.	Indicate that the following of a continuing of the Agenda ware that it is a cognize that I ameement(s) with the	foregoing informa at the Agency is r bligation from the cy in writing of ar riminal offense to subject to crimina Agency and that t
	may declare any o	contract(s) resultin	g from this certification vo	id and unenforceal	ble.
(Print): Signature:	(Deint)		Cina ato	:to:	

Title:_

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN

PART 1: CERTIFICATION BIDDERS MUST COMPLETE PART 1 BY CHECKING EITHER BOX. FAILURE TO CHECK ONE OF THE BOXES WILL RENDER THE PROPOSAL NON-RESPONSIVE

Pursuant to Public Law 2012, c. 25, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must complete the certification below to attest, under penalty of perjury, that neither the person or entity, nor any of its parents, subsidiaries, or affiliates, is identified on the Department of Treasury's Chapter 25 list as a person or entity engaging in investment activities in Iran. The Chapter 25 list is found on the Division's website at http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf. Bidders must review this list prior to completing the below certification. Failure to complete the certification will render a bidder's proposal non-responsive. If the Director finds a person or entity to be in violation of law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

Certification: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I attest that I am authorized to execute this certification on behalf of the above-referenced person or entity. I acknowledge that the Agency is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the Agency to notify the Agency in writing of any changes to the answers of information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the Agency and that the Agency at its option may declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print):_	Signature:	
Title:	Date:	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127) N.J.A.C. 17:27

CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE (Cont.)

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code and N.J.A.C.** 17:27.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

AFFIRMATIVE ACTION COMPLIANCE NOTICE N.J.S.A. 10:5-31 and N.J.A.C. 17:27

CONTRACTS

This form is a summary of the successful bidder's requirement to comply with the requirements of N.J.S.A. 10:5-31 and N.J.A.C. 17:27-1 et seq.

The successful bidder shall submit to the public agency, after notification of award but prior to execution of this contract, one of the following three documents as forms of evidence:

(a) A photocopy of a valid letter that the contractor is operating under an existing Federally approved or sanctioned affirmative action program (good for one year from the date of the letter);

(b) A photocopy of a Certificate of Employee Information Report approval, issued in accordance with N.J.A.C. 17:27-4;

OR

(c) A photocopy of an Employee Information Report (Form AA302) provided by the Division and distributed to the public agency to be completed by the contractor in accordance with N.J.A.C. 17:27-4.

The successful bidder(s) must submit the copies of the AA302 Report to the Division of Contract Compliance and Equal Employment Opportunity in Public Contracts (Division). The Public Agency copy is submitted to the public agency, and the bidder copy is retained by the bidder.

The undersigned bidder certifies that he/she is aware of the commitment to comply with the requirements of N.J.S.A. 10:5-31 and N.J.A.C. 17:27.1 et seq. and agrees to furnish the required forms of evidence.

The undersigned bidder further understands that his/her proposal shall be rejected as non-responsive if said contractor fails to comply with the requirements of N.J.S.A. 10:5-31 and N.J.A.C. 17:27-1 et seq.

COMPANY:	SIGNATURE:
PRINT NAME:	TITLE:
DATE:	

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Vendor Certification and Political Contribution Disclosure Form

Contract Reference:	 Vendor:	

At least ten (10) days prior to entering into the above-referenced contract, the Vendor must complete this Certification and Disclosure Form, in accordance with the directions below and submit it to the State contact for such contract.

Please note that the disclosure requirements under Public Law 2005, Chapter 271 are separate and different from the disclosure requirements under Public Law 2005, Chapter 51 (formerly Executive Order 134). Although no vendor will be precluded from entering into a contract by any information submitted on this form, a vendor's failure to fully, accurately and truthfully complete this form and submit it to the appropriate State agency may result in the imposition of fines by the New Jersey Election Law Enforcement Commission.

Disclosure

Following is the required Vendor disclosure of all Reportable Contributions made in the twelve (12) months prior to and including the date of signing of this Certification and Disclosure to: (i) any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or (ii) any entity that is also defined as a "continuing political committee" under N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.

The Vendor is required to disclose Reportable Contributions by: the Vendor itself; all persons or other business entities owning or controlling more than 10% of the profits of the Vendor or more than 10% of the stock of the Vendor, if the Vendor is a corporation for profit; a spouse or child living with a natural person that is a Vendor; all of the principals, partners, officers or directors of the Vendor and all of their spouses; any subsidiaries directly or indirectly controlled by the Vendor; and any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Vendor, other than a candidate committee, election fund, or political party committee.

"Reportable Contributions" are those contributions that are required to be reported by the recipient under the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L. 1973, c.83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-10.1 et seq. As of January 1, 2005, contributions in excess of \$300 during a reporting period are deemed "reportable."

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Title:

Date:

#1

lame and Address of Committee o Which Contribution Was Made	Date of Contribution	Amount of Contribution	Contributor's Nam
idicate " <u>none</u> " if no Reportable Cont	ributions were n	nade. Attach Addi	tional Pages As Needed
		<u> </u>	
Cortification			
<u>Certification</u> :	_		
I certify as an officer or authorized		the Vendor that, t e are true. I am av	

ATTACHMENT #5

EVALUATION SCORE SHEET New Jersey Housing and Mortgage Finance Agency (NJHMFA) Request for Proposals Paragon Village RFOTP

Bidder:

Evaluator #:

	Sample Score Sheet		Weight =	Criterion Score
1.	Purchase price		70%	
2.	Potential Purchaser's experience and demonstrated ability to successfully develop, own, and/or operate senior care facilities		15%	
3.	Purchase term including due diligence period		10%	
4.	Potential Purchaser(s) financial capability to meet the proposed terms of purchase		5%	
Grand	l Total Score		100	